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NEWS SUMMARY

GENERAL

Irish PM attacks Maze deadlock

Irish Prime Minister Garret FitzGerald yesterday lashed out at both Britain and the Provisional IRA, saying neither had made a serious attempt to end the Maze hunger strikes.

Patrick Quinn, on the 47th day of his fast, received medical treatment at the request of his family.

Kieran Docherty, recently elected as an Irish MP, ended his 69th day while Patrick Lynch was reported drifting in and out of consciousness on his 68th day. Deadlock remains, Page 3

Warsaw lobby

Polish workers lobbied outside parliament to oppose a cut in meat rations.

Gambia threat

Left-wing rebels in The Gambia threatened to kill captured ministers and members of President Dawda Jawara's family. Coup in balance, Page 2

Pensions pledge

A Government pledge to protect pensions and long-term social security benefits against inflation will be honoured, Social Security Minister Hugh Rossi told the Commons.

Black jobs plea

Positive discrimination in favour of black workers was necessary if peace was to be maintained in Britain, shadow Home Secretary Roy Hattersley urged.

Cruise crash

A U.S. Navy land attack cruise missile crashed in Nevada during a test flight. It had been fired from a submarine off California.

N-water leak

Nearly 2,000 gallons of radioactive water leaked from a U.S. nuclear power plant, some into the Mississippi, but a health risk was denied.

Dimbleby veto

BBC director general Sir Ian Trethowan has vetoed proposals that disarmament campaigner Prof E. P. Thompson give the Dimbleby lecture. Page 3

View for 39m

About 39m Britons watched the Royal Wedding, the BBC estimates. Of these it claims 25m were tuned to BBC-1.

Coin dates set

A seven-sided 20p coin will be issued next June and a circular £1 piece in April, 1983.

Baseball back

Major league baseball players in the U.S. ended their 50-day strike, settled by a Federal mediator. Page 2

Golf grumble

Rodgers Davis of Australia walked out of the West German Open golf championship, protesting at slow play by Britain's Ken Brown.

Sun's secrets

A 105-minute total solar eclipse in the southern Soviet Union was monitored for data to improve weather forecasting.

Horseman banned

Showjumper Harvey Smith's son Robert, 20, was banned from the sport for a month for ill-treating his horse at a Cardiff show.

Briefly . . .

Mirage jet fighter crashed into a Belgian TV tower, killing the pilot.

Petrol in Spain is scarce because of a garage attendants' strike.

U.S. air traffic controllers set a strike deadline for Monday.

BUSINESS

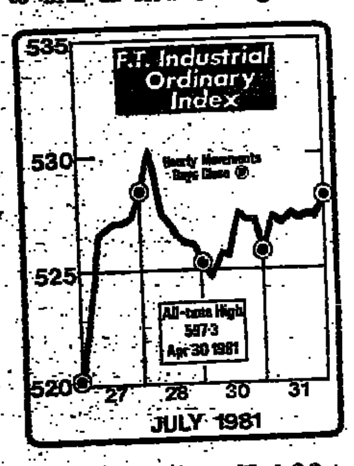
21-year high for $ against franc

● DOLLAR continued to improve. It rose to FFr 5.8700 (FFr 5.8200), its best level since 1960, and firmed to DM 2.4720 (DM 2.4560), SwFr 2.1460 (SwFr 2.1280) and Y240.3 (Y238.8). Its trade-weighted index was up to 112.8 (112.6). Page 19

● STERLING fell 1.55c to $1.8415, its lowest closing level since June 1978. It finished at DM 4.5550 (DM 4.5625) and FFr 10.8075 (FFr 10.8100). Its trade-weighted index was down to 92.0 (92.2). Page 19

● GOLD rose $3 to $406 in London. In New York, the August Comex close was $403.2. Page 19

● EQUITIES tone held steady to firm in slow trading. The



FT 30-share index added 2.2 to 528.1. Page 20

● GILTS made a distinctly better showing encouraged by the end of the Civil Service dispute. The Government Securities Index rose 0.27 to 64.46. Page 20

● WALL STREET was up 6.37 to 951.48 near the close. Page 16

● OPEC is likely to meet later this month to try to unify prices and co-ordinate production, Iraq's Oil Minister said. Back Page

● CANADIAN Government ordered an 18-month delay in the start of the C$1bn (£440m) northern oil field and pipeline development project. Page 2

● SWITZERLAND had a current account balance of payments deficit of SwFr 905m (£228.8m) last year against a SwFr 4.07bn surplus in 1979. This was the first deficit since 1965.

● EGYPT partially devalued its pound with the aim of getting exchange transactions off the streets and into the banks.

● INDUSTRY DEPARTMENT announced increases of up to a third in Government aid for service industries setting up premises in assisted areas. Page 3

● NEWMAN INDUSTRIES former chairman and vice-chairman were cleared of all but one of 30 accusations of fraud made against them by Prudential Assurance Company. Page 3

● BL has registered 1,000-1,200 new cars itself and is to dispose of them at a series of auctions for BL distributors and dealers. Back Page

● DENNISON Manufacturing of the U.S. stepped up its offer for Ofrex Group to match the terms from rival suitor Gallaher. Back Page

● THOMAS TILLING, industrial holding group, agreed to pay $20.44m (£11m) for the Facile Division of Sun Chemical Corporation of the U.S. Page 14

● CHRIS-CRAFT INDUSTRIES of New York may buy the Washington Star newspaper, which is due to close on August 7. Page 17

● YORK TRAILER Holdings reported increased pre-tax losses of £753,000 (£260,000) in the first half of 1981. Page 15

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 15¼pc '98	£105½	+ ⅞
BAT Inds.	385	+ 10
Barr (A. G.)	242	+ 12
British Home Stores	144	+ 8
General Accident	352	+ 10
Gt. Portland Estates	236	+ 6
Kwik Save	217	+ 4
Midland Bank	333	+ 8
Nichols (Vimto)	225	+ 10
Pauls and Whites	153	+ 6
Phoenix Assurance	274	+ 10
Raybeck	54	+ 9
Royal Insurance	383	+ 13
Sedgwick	142	+ 8
Silverthorne	34	+ 5½
Sothebys	435	+ 8
Sun Alliance	938	+ 28
Turner and Newall	83	+ 3
Unochrome	20	+ 3½
Highlands Lowlands	71	+ 5
President Steyn	£15⅝	+ ½
RTZ	565	+ 7
Tanks Consd.	327	+ 10
FALLS		
Aeronautical Gen.	320	− 20
Cornell Dresses	170	− 5
Hoover A	118	− 4
Tace	17	− 3

BP to close Isle of Grain oil refinery with heavy job losses

BY SUE CAMERON AND JOHN LLOYD

BP OIL is shutting down its 10.5m tonnes a year oil refinery on the Isle of Grain in Kent. The majority of the plant's 1,670 jobs will be lost.

BP Oil's decision comes only two months after Burmah announced that it was closing its Ellesmere Port refinery with the loss of 1,100 jobs. And yesterday it was disclosed that Shell has asked for talks with trade unions on further manpower cuts at its second largest UK refinery at Shell Haven, Essex.

The moves reflect the dramatic drop in demand for oil products — chiefly fuel oil and heating oil — affecting the European refining industry. Texaco warned recently that up to a third of Europe's 1bn tonnes of annual refining capacity may have to be shut.

BP also said yesterday that it planned to close a further 15m tonnes of its European refining capacity by the end of next year. The reduction would be mainly in France and Germany. The company has 100m tonnes of refining capacity in Europe, including the UK, but it is losing money on its refinery operations at the rate of £1m a day.

Other major oil companies intending to close refineries in Europe include Esso, which has said it will shut one of its four German plants.

Mr Ian Walker, managing director of BP Oil, warned yesterday that the UK oil industry would probably need to shut a further 40m tonnes of its refining capacity—roughly a third of the total.

The Kent closure is expected to cost BP Oil between £20m and £25m, chiefly in redundancy pay. The running down of the refinery will start early next year with final closure at the end of 1982.

BP believes the move will eventually save it about £50m a year. It will concentrate production of oil products at its other three UK refineries at Grangemouth near Edinburgh, which has an annual capacity of 8.5m tonnes, at Llandarcy in Wales, which has a capacity of 5.2m tonnes and at Belfast, which has 1.5m tonnes capacity.

The closure of the Kent plant will enable the company to make substantial savings on operating and energy costs and on the capital spending needed to maintain safety standards and replace outdated equipment.

BP intends to use the Isle of Grain site as an oil product terminal and the blending and packaging of lubricating oil will continue to be carried out there even after the refinery has been closed. For this reason, it was unable to say how many of the 1,670 jobs at Kent would be lost. However, the company admitted that the majority would go.

It said "all practical steps" would be taken to find alternative jobs in other BP plants and offices for employees at the Kent refinery. BP Oil employs just over 10,000 people in the UK—5,500 of them in its refineries.

The drop in demand for oil products in the UK allied to the present oil glut, has led to BP losing £90m on its refining operations in the past two years —£17m in 1979 and £73m in 1980. Yesterday the company said that fierce competition in the industry, caused by the startling fall in oil consumption, had hit its profit margins.

There are 17 oil refineries in the UK with a combined capacity of 120m tonnes a year. But BP said the UK's estimated demand for oil products this year would be no more than 65m tonnes. It said that even if demand improved with the ending of the recession, it did not foresee total annual consumption rising much above 70m tonnes a year.

The Association of Scientific Technical and Managerial Staff, said last night it feared that the proposed Shell Haven job cuts were the tip of the iceberg and that the company would be looking for further manning reductions in its other three UK refineries.

Opec meeting, Back Page

Bonn approves £296m aid for steel industry

BY JONATHAN CARR IN BONN

THE West German Government has approved a DM 1.34bn (£296m) aid scheme for the domestic steel industry and prepared plans to impose levies on imports of subsidised steel from other European Community countries.

The move marks a distinct hardening of Bonn's attitude towards its EEC partners' steel policies.

Bonn's decision comes when the European Commission is trying to eliminate all state aid to the steel industry by 1985. Earlier this week the Commission withheld sanction of £560m of the British Government's proposed aid to the British Steel Corporation until it has more details of the corporation's future plans and forecasts.

A statement from the West German Government said it was not ready to stand idly by while "massive distortions of competition" abroad threatened German jobs and the survival of the country's steel industry.

It also warned the European Commission that Bonn would demand a border levy on steel imports if agreed EEC steel prices were undercut through production subsidies in other member states.

Administrative measures have already been taken to allow a levy to be imposed quickly. The text of an application seeking the Commissions' permission for import taxes has been drawn up.

The Government does not say how it would react if an application were refused, but officials note that there are many ways in which imports could be subjected to lengthy delays at the the border without EEC rules actually being broken.

The aid package, to run from next year to the end of 1985, was reached at a Cabinet session late on Thursday night. It has four main elements:

● Steel enterprises planning major rationalisation and modernisation may be eligible for grants equal to 10 per cent of the investment cost. The Government stresses that it will support only those projects which fall within the terms of the EEC's code on subsidies. This says national aids are permissible only for schemes which aim at rationalisation without expanding capacity.

● The federal research programme to speed modernisation of the steel sector will be extended and increased, with DM 150m set aside for this in each of the coming four years.

● The Government will put up DM 70m a year for social measures to help workers leaving the steel industry. These include resettlement allowances and retraining.

● Provincial states with job creation programmes in areas which have been heavily dependent on steel may be eligible for 8.75 per cent investment grants from the Federal Government.

The Government says that steel companies should co-operate to avoid the creation of new capacity through parallel, independent investment planning. But it is stressed that Bonn does not support the idea of major mergers in the industry—one measure repeatedly mooted in the industry. The Government says this would be against public and consumer interests.

Midland Bank profits fall 16%

BY WILLIAM HALL, BANKING CORRESPONDENT

THE PRE-TAX profits of Midland Bank fell by 16 per cent to £104.5m in the first half of 1981. The bank has been harder hit than the other banks that have reported so far because of its traditional heavy reliance on lending to UK industrial customers.

The bank says the fall in profits is due to lower interest rates, further substantial bad debt provisions and continuing cost pressures. Overhead costs rose by 18 per cent, to £513.4m, compared with the first half of last year. This is faster than the rate of inflation and higher than cost growth at other banks.

Net interest income rose by 11 per cent to £445.7m and other income, principally fees and commissions, rose by 15.3 per cent to £198m. The charge for bad and doubtful debts, of £38.3m, was only marginally down on last year's level.

Just over half the group's profits come from domestic banking, and profits on this side fell by between 5 and 6 per cent. Reflecting its aggressive push overseas, Midland's international profits rose by some 30 per cent and now account for 35 per cent of total profits.

Midland's related banking services, which contribute the balance of profits, fared less well, and earnings appear to be down sharply. Midland blames "changed market conditions in merchant banking and a lowering of margins" on the Thomas Cook travel business.

The group has had to provide £65.3m for the windfall bank profits tax, which left it with attributable profits of £2.6m compared with £80m a year ago. After the payment of the interim dividend the group has a deficit of £10.6m. On a current cost basis there is a deficit of £81m compared with £20m a year ago.

The results were better than some stock market analysts had been expecting and Midland's share price rose 8p to 333p. The share price of the other three big banks rose by 5p.

Details, Page 14;
Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Sterling slumps to three year low

BY DAVID MARSH

STERLING fell sharply yesterday against the dollar to a three-year low as UK money market interest rates rose, putting further pressure on the clearing banks to increase base lending rates.

The renewed weakness of the pound, down 1.55 cents to a London close of $1.8415, heightens the dilemma for the Bank of England and the Treasury. They are anxious to stabilise sterling, but are reluctant to risk the chances for economic recovery by pushing up interest rates still further.

The Bank already faces a difficult technical task to prevent interest rates from rising in coming months. This reflects the end of the civil servants' dispute.

Between £6bn and £6.5bn in tax has been held up by the dispute and is due to be paid to the Government in coming months. This may put severe upward pressure on money market rates as depositors draw funds from their bank accounts. The amount is slightly larger than previously estimated.

Anticipation that the end of the dispute could lead to cash shortages pushed up money market rates yesterday. The key seven-day rate rose to 13¼ per cent from 12½ per cent on Thursday, increasing the incentive for companies to borrow on overdraft at 13 per cent and redeposit on the money market.

The Bank sought to relieve market congestion by cutting the volume of Treasury bills allocated at yesterday's tender by £250m. A total of £100m of 91-day bills—down from the originally announced £200m—was allocated at an average rate of discount of 13.80 per cent, up from 13.76 per cent the previous Friday.

Of the special issue of bills maturing on September 1, the Bank also sold only £100m, down from the expected £250m. The average rate of discount fell to 13.47 per cent from the previous week's 13.97 per cent.

Sterling's weakness yester-

Continued on Back Page
Counting the cost, Page 3

£ in New York	July 30	Previous
Spot	$1.8515-8655	$1.8535-8550
1 month	0.75-0.82 pm	0.65-0.72 pm
3 months	2.05-2.15 pm	1.85-1.95 pm
12 months	5.30-5.50 pm	5.05-5.35 pm

Benefits tax plan delayed by Civil Service strikes

BY PHILIP BASSETT, LABOUR STAFF

GOVERNMENT plans to tax unemployment and social security benefits are likely to have been considerably delayed as a result of the civil service pay strikes, which were called off by the unions on Thursday night.

This emerged yesterday as the government announced the members of what turns out to be a business-dominated inquiry into civil service pay.

It also emerged yesterday that the civil service unions intend to start work almost immediately on their pay claim for next year. They will start drawing it up soon after the Trades Union Congress in September, only weeks after the conclusion of the present dispute.

The disruption to the Government's plans to begin a progressive taxation of unemployment and social security benefits from April next year may be one of the most politically-upsetting consequences of the five-month dispute.

The scheme is a political favourite of the Government, but officials in Whitehall acknowledged yesterday that its implementation would be delayed because of action by Department of Health and Social Security computer staff at Reading.

That has created such a backlog of work that the scheme seems certain to miss its launch date at the beginning of the new tax year.

The Treasury is believed to be considering whether the scheme, which it was thought would benefit the exchequer by about £340 m a year, could be introduced half-way through the tax year, but there are doubts within the Inland Revenue, which would administer it, whether that is possible.

Other effects of the action on delayed taxes, passport applications, Value Added Tax repayments, company searches and in a number of other areas will also take a considerable time to clear—up to six months in badly-affected areas. The unions have agreed to arrange for a return to work from next Monday.

Business interests dominate the list of members of the inquiry into future pay determination in the Civil Service, whose chairman has been previously named as Sir John Megaw, a former High Court judge.

The other members, announced yesterday, are: Lord Lever, former Labour Chancellor of the Duchy of Lancaster, Baroness Seear, visiting professor at the City University and a member of the Top Salaries Review Body, Mr Robert Ramsay, former industrial relations director at Ford Motor and president-elect of the Institute of Personnel Management, Mr George Rusell, director of Alcan UK and a former member of the Civil Service Pay Research Unit Board, Prof. Christopher Foster, director and and head of the economics and public policy division of Coopers and Lybrand Associates, Mr John Chalmers, former general secretary of the Boilermakers' Amalgamation, Sir Peter Thornton, former Permanent Secretary of the Department of Trade and now a company director, and Mr James Ackers, chairman of Ackers-Jarrett, a truck and equipment leasing company.

Mr Bill Kendall, secretary-general of the Council of Civil Service Unions, welcomed the inquiry though he said the lack of consultation with the unions over its membership was "not helpful."

He refused to comment on the individual members, but other union leaders were gloomy about the prospect of such an inquiry producing what the unions would regard as a balance report, which is due by next summer.

Some of the sharpest criticism was reserved for the inquiry's trade unionist, Mr John Chalmers, who agreed to the job without consulting the TUC, as would be normal. He will now receive weekly briefings from the TUC once the inquiry starts its work in September. The inquiry will shortly be calling for evidence.

Union leaders will begin to draw up next year's Civil Service pay claim after the TUC Congress next month, following an exchange of letters between Mr Kendall and the Civil Service Department which agree to "speedy negotiations".

To meet the Government's commitment of negotiations without pre-set cash limits, talks must really start before the Rate Support Grant announcement, usually in November, which has to contain provision for local authority pay increases and which the pay provisions in the Civil Service cash limit usually closely follow. Union leaders then expect the claim to go to arbitration by the end of the year.

The Council's major policy committee is likely to discuss next month whether another claim can be made this year, whether it should be made grade by grade or whether there should be a "spread" claim for different parts of the Civil Service

Lex, Back Page

OVERSEAS NEWS

Canada bows to pressure over £440m oil project

BY VICTOR MACKIE IN OTTAWA

THE Canadian Government yesterday bowed to pressure from environmentalists and Indians and ordered an 18-month delay in the start of a C$1bn (£440m) oil field and 540-mile pipeline project linking Norman Wells in the North West Territories to southern Canada.

Mr John Munro, Minister of Indian Affairs and Northern Development, said the Government had also ordered a two-year delay in exploration activity in the MacKenzie Valley through which the proposed pipeline would run.

Mr Munro said the delays were in response to concerns raised by native Indians and the territorial government that more time was needed for planning to ensure that residents in the Northern Territories benefited socially and economically from the project. He said the delays would allow land claim negotiations with Indian representatives.

The pipeline project has two components:

- a C$600m proposal by Esso Resources Canada, owned by Imperial Oil of Toronto, the Canadian subsidiary of Exxon, to expand production at its Norman Wells oil field to 25,000 from 3,000 barrels a day;
- a C$400m pipeline to be built by Interprovincial Pipe Line (NW) from Norman Wells to Zama, Alberta. Imperial also owns 30 per cent of Interprovincial.

The delay in exploration activity in the Mackenzie Valley *involves seven agreements* signed with Petro-Canada, the state-owned oil company. The agreements cover about 15m acres of land in the valley.

The delay means the line will not be carrying oil from Norman Wells until 1985. Interprovincial had originally been aiming for a 1983 start, but that schedule had already been pushed back a year because of delays in regulatory approvals.

Under the terms of the Cabinet order, construction work on the oil field expansion will not begin until the summer of 1983, and no pipe will be laid until November of that year.

Despite the delay, Esso said it welcomed the Government's approval of its expansion plans, but estimated the delay will add about C$100m to the cost of the project.

Interprovincial's project manager, Mr Bill Pearce, expects the cost will increase tto almost C$500m. He said it was important that a decision had been made.

The delays were applauded by Mr John Parker, the territorial commissioner. Mr Parker said the territorial government's main concern was that more time was needed to develop job training and opportunity programmes for natives and other northerners.

NZ meeting called off because of rugby storm

By Dai Hayward in Wellington

POLICE in New Zealand last night cancelled a session of the ruling National Party conference in Wellington because of a demonstration by anti-Springbok protesters. Police feared they would not be able to protect the delegates.

Mr George Chapman, the party president, told delegates to leave the town hall quietly, remove their party badges, and disperse quickly to their hotels and homes. About 2,000 protesters continued with the demonstration outside the empty town hall in Wellington while police blocked off all streets leading from the area.

Two shots were fired last night at the house of the Auckland Rugby Union chairman, Mr Ron Don, who is a supporter of the South African tour. The shots smashed two windows, but nobody was at home.

Anti-tour demonstrators plan another large-scale protest at Palmerston North today, where the Springboks are due to play Manawatu.

Mr Wallace Rowling, the Labour Party leader, convened a meeting yesterday of civic leaders, church groups, representatives of the various protest groups and the police. The Rugby Union did not attend.

The deputy Prime Minister, Mr MacIntyre, had another engagement.

Mr Robert Muldoon, the Prime Minister, who arrives back in New Zealand this weekend, will also call a conference of all parties on Monday to discuss shortening the tour.

In a conciliatory move, anti-tour groups have agreed not to try to break through police lines at Palmerston North.

SENEGALESE TROOPS MOVE AGAINST REBELS

Fate of Gambia coup in balance

BY QUENTIN PEEL, AFRICA EDITOR

THE FATE of the attempted coup in the Gambia was in the balance yesterday after paratroops from neighbouring Senegal intervened in support of Sir Dawda Jawara, President of the tiny African state.

The paratroops were reported to have recaptured from the rebels the airport outside Banjul, the capital, and to be marching on the two remaining rebel strongholds—the national radio headquarters and the paramilitary police barracks at Cape St Mary.

The rebels broadcast an appeal on Radio Gambia for the troops to withdraw, threatening to execute a Senegalese diplomat if they did not, and claiming to hold members of the Gambian Government.

The claim was dismissed by Gambian diplomats in London. They said they were confident that all Cabinet members were safe in police headquarters on the island of Banjul.

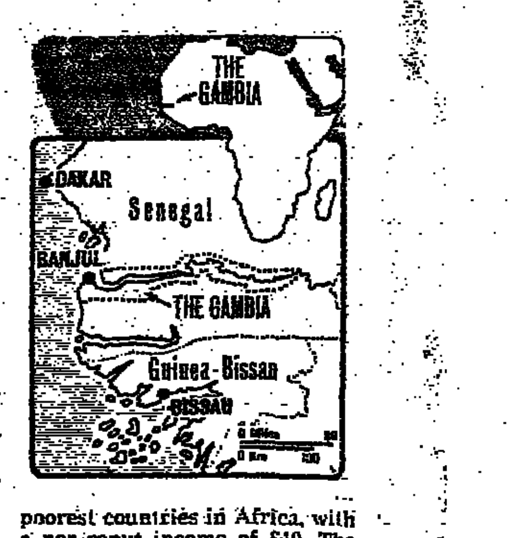
to cut short his visit to London for the Royal wedding, said in Dakar it would be "a matter of hours" before the coup was crushed with Senegalese assistance.

Communications with Banjul are erratic, and yesterday telephone lines to Dakar were cut for most of the day. British officials managed to contact about 100 of the 400 British nationals in the Gambia and advised them to stay at home or in their hotels.

Sir Dawda said he requested Senegalese assistance under a defence pact. This was invoked last November when troops from Senegal were sent to the Gambia after the President accused Libya of trying to spread "confusion and disorder."

The rebels said on Radio Gambia that a 12-man National Revolutionary Council had been set up. It was headed by Mr Kukli Samba Sanyang, a member of the Socialist Revolutionary Party which was banned at the time of the Libyan scare last year. Three members of the 500-strong paramilitary Field Force are said to be members of the council.

Repeated radio broadcasts said the coup was launched because of the worsening economic position. It was directed against "unemployment, injustice, tribalism, nepotism and corruption," as well as "imperialism and neo-colonialism."



The economic position has been disastrously affected by the Sahel drought and the failure of the last two groundnut harvests, which provide some 80 per cent of exports. It is one of the poorest countries in Africa, with a per caput income of £40. The population is little more than 500,000.

U.S. 'national pastime saved' as 50-day baseball strike ends

BY PAUL BETTS IN NEW YORK

THE AMERICAN baseball strike appears to be over after 50 days. A settlement between players and owners of league teams was reached in the early hours of yesterday following another all-night negotiating session in a New York hotel.

Players across the country have to ratify the agreement, but television networks brought the good news to millions of Americans during their breakfast shows.

"Our national pastime has been saved," one said. The news overshadowed everything else from the Royal wedding in London to President Reagan's tax victory on Capitol Hill.

The strike was the equivalent of an English summer without cricket, an Italian winter without football, and a Spanish bull-fight without a bull. Fans suffered, cities, stadiums and hot-dog sellers counted their losses, and newspapers were forced to turn to such trivia—for Americans—as soccer.

Some 580 games, more than a quarter of the season, have been lost. Post-ponement of the "All-Star" game in Cleveland on July 14 is said to have cost the city some $3m (£1.6m) in revenue.

This was to have been "the greatest baseball season ever," spangled with star players—veterans such as Reggie Jackson of the Yankees or new wizzards like Fernando Valenzuela of the Dodgers.

The main issue of the strike was the free agent—a player who can negotiate his own transfers and act as a free agent. For a long time, players and clubs have argued about compensation to owners when a free agent transfers to another team, usually for a great deal of money.

Under the old system, the owners of a team losing a free agent could take another player from the team that hired the free agent. The players claimed this represented punishment for signing a free agent and could put off clubs from acquiring players.

Under the new system a team losing a free agent apparently will be able to pick a new star from a pool of players. Details are still being kept secret.

The All-Star game will be held in Cleveland on August 9 when the season will kick off with the first "play ball" of the summer.

Marseilles murder mystery deepens

BY TERRY DODSWORTH IN PARIS

A MASS MURDER outside Marseilles followed by the charging of five sympathisers of a para-political organisation have brought home to the French the fact that the murky demi-monde where crime and politics rub shoulders has survived the Socialist landslide.

The affair has become increasingly puzzling as it has developed, like many of the other scandals in the past few years. It began 12 days ago with the murder of a Marseilles detective inspector and mem*bers of his family. By the end* of this week the bodies had been discovered and five men charged. The reason for the crime remains a mystery.

Politics enters because the five charged with the murder, as well as the main victim, are members or supporters of the Service d'Action Civique (SAC), an officially-recognised body linked to the Gaullist Party.

Gaullist MPs have reacted angrily to the intense press coverage and apparent leaking of details of the police inquiry, claiming it is designed to wipe out the SAC.

From the Left, there have been counter-suggestions that *the murder* derived from an internal row in the SAC over plans to stir up trouble for the Socialist regime.

M Pierre Debizet, the SAC's chief, has been arrested and interrogated. A relatively secretive organisation, SAC was founded in 1958 by former Gaullist Resistance fighters to act as a militant support group for General de Gaulle on his return to power.

Its main function was to provide a well-muscled back-up to the Gaullist movement, making sure speeches were not disrupted, filling meetings, and putting up posters. As Gaullism became established, it developed links with the police and exerted power behind the scenes.

Its political influence waned with Gaullism's decline in the 1970s. As membership fell from about 20,000 to below 5,000, it became a reservoir of strong-arm men, particularly active in trouble spots such as Corsica and Africa.

M Jacques Massie, the murdered detective, was a local SAC leader until about a year ago. His successful police career started in 1963 and he combined it with SAC membership without much difficulty. A handful of the Marseilles force belongs to the SAC.

He attracted criticism, however. He is said to have kept extensive files of his own about arms dealing, counterfeit money, and important people.

French optimistic on wine import solution

BY DAVID WHITE IN PARIS

THE FRENCH Government and southern wine growers appeared optimistic yesterday that a solution could be found to the crisis over imports of Italian wine.

In a campaign to hold wine merchants to a pledge to curb these imports, producers emptied three lorryloads of wine, totalling 750 hectolitres, on to the road at the port of Sete. Another lorry was stopped on a motorway outside Carcassonne and its load of 8,000 bottles smashed.

However, producers' representatives expressed satisfaction over talks with Mme Edith Cresson the Agriculture Minister, and government experts. Another meeting was set for August 12.

Several measures were proposed to back up the EEC Commission's emergency plan to set aside a further 2m hectolitres of wine for industrial alcohol.

The meeting established the principle that wine-growers' incomes should be maintained and special distillation payments speeded up. The growers want the EEC plan applied to Italian wine already in France.

A committee representing the Government and the wine sector this month is due to study the question of special aid for producers of quality wines who are facing difficulties, measures to improve depressed prices, and settling up a "wine office" to start operating next year.

Stalemate in India nuclear talks

BY K. K. SHARMA IN NEW DELHI

TALKS BETWEEN India and the U.S. on the shipment of enriched uranium to India's *Tarapur atomic power station* ended in stalemate yesterday. Fresh talks are to be held "in the near future."

Both sides now agree that the pact to supply Tarapur with nuclear fuel cannot be implemented, because U.S. non-proliferation legislation bars the supply of enriched uranium from the U.S. to any country unwilling to sign the nuclear non-proliferation treaty or to submit nuclear installations to international inspection.

But neither country wants to be held responsible for terminating the agreement. The U.S. had originally undertaken to *supply enriched uranium to the* Tarapur power station until 1993.

The decision to hold another round is to the advantage of the U.S. as safeguards under the agreement forbidding local reprocessing of spent fuel will continue to apply. This means that India will not be able to obtain enriched uranium for Tarapur from other sources or reprocess spent nuclear fuel stored at Tarapur.

An Indian spokesman said that if the U.S. does not honour the agreement and declines to make further shipments of enriched uranium. India will *take control of the spent fuel.* The fear is that India will then feel free to reprocess it, extracting weapons grade plutonium.

The U.S. wants to terminate the agreement by "mutual consent," at the same time maintaining safeguards on the spent fuel.

An Indian spokesman said yesterday that the question of further supplies of enriched uranium was not discussed, implying that both sides agree that the U.S. will not live up to its obligations

Israel Bank chief clashes with Begin

By Our Foreign Staff

THE Governor of the Bank of Israel has run into difficulties with the Begin Government over his accusation that the Treasury is on a course which will lead the country deeper into economic trouble.

A report in the economic magazine Mabat said Mr Yoram Aridor, the Finance Minister, plans to replace the Governor, Mr Arnon Gafny, in October at the end of his five-year term. One of Mr Aridor's officials denied the Minister had said this. But it seems clear he is considering it.

A report issued by the Governor said that in the past six months, Mr Aridor had increased Government spending, widened the gap between spending and revenue, fostered a rise in private consumption and worsened the balance of payments.

But Mr Aridor insists that his policies are working well. He said: "It is unthinkable that the Bank of Israel should be pursuing a policy that is diametrically opposed to that of the Finance Ministry."

A major point of dispute between Mr Gafny and Mr Aridor is the Governor's insistence that the Israeli Shekel must be constantly devalued in line with inflation in order to help exports.

Spanish parties agree on autonomy framework

BY TOM BURNS IN MADRID

SPAIN's ruling Union de Centro Democratico (UCD) party and the Socialist Opposition yesterday reached agreement on a complex policy document that redefines the framework of regional autonomy in the country.

The document, which will be be translated into a series of laws, is based on a report by government-appointed experts who were commissioned to examine the autonomy question after the attempted military coup in February.

Details of the agreement between the two major Spanish parties were not released, but the report advised greater government control in the regions, a slow-down in the pace of decentralisation and parity among the autonomous areas. The decision by Sr Leopoldo Calvo-Sotelo, the Prime Minister, to re-examine the autonomy policy reflected concern in Government circles over the discontent it had aroused within the conservative military hierarchy.

Regional autonomies formed a cornerstone of the post-Franco Spanish democratic process. There are now home rule governments in the Basque country and Catalonia. Elections to autonomous regional assemblies are scheduled in Galicia, in the North West and in the southern region of Andalusia within the next year.

According to the Government, there should be 16 autonomous regions established by 1983 when general elections are due. Yesterday's agreement came after closed-door negotiations between the two parties.

The minority parties, the conservative Alianza Popular Group, headed by Sr Manuel Fraga Iribarne, and the Communists were due to add their agreement to the policy document. But strong opposition was expected from the nationalist parties in the Basque country and Catalonia

MX plan 'may be scrapped'

THE REAGAN Administration probably will scrap a controversial basing scheme for the MX missile in favour of a different plan, Mr Edwin Meese, the President's counsellor, was quoted as saying yesterday, AP reports from Los Angeles. Mr Meese told the Los Angeles Times that Mr Reagan thinks a multishelter basing plan is "a bad idea" and that an alternative plan would be announced in 30 to 45 days.

Moves on links with Guatemala

THE U.S. is to move towards restoring normal relations with the right-wing government of Guatamala, reversing President Carter's policy of isolating the country for alleged human rights violations, Reginald Dale *reports from Washington.* The Carter policy had failed, senior State Department officials said yesterday, and they accused Cuba and Nicaragua of giving increased aid to Guatemalan leftist guerillas,

Talks stalled on U.S. bases

THE fourth round of negotiations on the continuation of U.S. air and naval bases in Spain ended yesterday without agreement, AP reports from Madrid. Another round of talks is set for August 25, when *industrial and military matters,* and the status of U.S. personnel in Spain, will be discussed. The present five-year agreement expires on September 21, and it is not clear agreement can be reached by then.

Canute James, in Kingston, explains why marijuana is still a pillar of the Jamaican economy

Foreign exchange earnings high on illicit weed

JAMAICA'S ECONOMY has regularly faced a possible collapse over the last three years because of a chronic lack of foreign exchange. It has survived very largely on the basis of the earnings of its "parallel economy" — the profits, that is, from the illegal trade in marijuana smuggled into the United States.

Despite the best efforts of the Jamaican security forces and their counterparts in the United States, the drug traffic is flourishing. Mr Edward Seaga, the Jamaican Prime Minister, himself admits the economic value of the trade to the island's economy.

It is not known precisely how much the trade in the forbidden weed brings the Jamaican economy: estimates have ranged between $500m and $1bn per year. A senior official of the island's central bank suggested the lower figure is more accurate.

"On the basis of the amount of foreign currency which has been in the financial system and for which we could not account because it did not pass through us, I would say earnings from marijuana total just over $500m per year," he said.

The U.S. law enforcement agencies, which have been keen to collaborate with the Jamaican security forces in stemming the trade in marijuana, might have been encouraged early in July when they were told by Mr Seaga that trafficking had been "curbed."

This observation is not shared by senior members of the island's constabulary, however, and reports of the police apprehending shipments and traffickers continue to be few and far between.

Profits on the trade continue to be an important crutch for the battered Jamaican economy, despite hundreds of millions in loans from the International Monetary Fund and several individual Western donor countries.

Mr Seaga is aware of the economic value of marijuana to Jamaica. "There does exist a parallel economy," he says. "In the past, when the economy of the country was bouyant, marijuana played a far less prominent role, but in recent times, because of the desparate nature of the economy and the crises that we have faced, it has grown in importance. Consequently, in the past several months in particular, it has almost been a lifeline for the economy, providing foreign exchange which the Bank of Jamaica could not provide."

The trade has its origins in areas such as the green belt of hills in St Ann Parish, which overlook the island's internationally known north coast resorts. Pockets of wealth in such areas indicate economic activity far more rewarding than traditional subsistence agriculture: houses have spread rapidly in all directions and new, expensive European cars are the common form of transport.

Smoking the drag in Jamaica . . . but more is smuggled to the U.S.

The illegal trade is highly organised from the moment the weed is reaped, through the curing stage on to final shipping. This largely explains the difficulties which security forces have in dealing with the traffickers.

Much of it leaves the Island in light planes which fly for two hours around Cuba and into Florida. The planes land in Jamaica on fields or deserted stretches of highway in the rural areas, or else on one of the 25 illegal airstrips liberally located all over the island. They collect the shipment, deliver payment and are usually away before being spotted. Not always, however — the rusting carcasses of several aircraft abandoned on the edge of some runways indicate the hazards of the trade.

Larger shipments leave for the United States in boats which pull into any one of the hundreds of coves on the island's poorly patrolled coastline.

Methods of shipment can be *more ingeneous: a few years* ago, a government-owned fire engine was sent to Miami for extensive repairs and was found on arrival to be loaded with marijuana.

A key middleman in the trade is the local agent for the overseas buyer—someone who is Jamaican and who can effectively organise the delivery of the weed to its shipment point.

One such middleman, consenting to discuss his role though only after several days of hesitation and on condition nothing he asked about his overseas backers, is a former insurance salesman from Kingston whose salary has more than trebled in his new job. His ambition is to be a candidate for one of the political parties in the next elections—it doesn't matter which of the parties apparently—and he is confident of winning if he can contest the area in which he now operates.

*The local police have fre*quently expressed concern about the form of payment for the illegal exports. There was a time, at the height of the bloody election campaign last year, when the police feared that guns and ammunition, instead of money, were bing used as payment.

In an unabashed effort to bring the trade's enormous dollar revenues into the island's financial system, Mr Seaga said several months ago that bankers should forego lengthy questionaires about the origin of foreign funds submitted by depositors.

A young man struggled into a bank in a town in St Ann Parish a few days later, carrying a heavy suitcase. "I was tired of hiding it under the bed" he said, revealing hundreds of neat rows of U.S. dollar bills to the astonished bank clerks. None was in any doubt how the bills had been earned—nor that there are plenty more available from the same sources in the future.

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UK NEWS

Newman executives cleared of 29 fraud accusations

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR ALAN BARTLETT and Mr John Laughton, former chairman and vice-chairman of Newman Industries, have been cleared of all *but one of* 30 accusations of fraud made against them by the Prudential Assurance Company.

The Court of Appeal said yesterday that the Prudential had painted a picture of the two men as "crooks deliberately milking Newman of vast sums of money for their own benefits."

Lord Justice Cumming-Bruce said that this very serious allegation, persisted in by the Prudential to the end of the men's appeal, had not been proved.

Mr Bartlett and Mr Laughton had successfully established that the Prudential's case was based on a series of misunderstandings.

But, the appeal judges held, one piece of dishonesty had been proved against Mr Bartlett and Mr Laughton. To win a boardroom battle at Newman they had concealed the fact that they had made advance payments on Newman's behalf for a package of assets and liabilities of Thomas Poole and Gladstone China, of which Mr Bartlett was chairman and Mr Laughton vice-chairman.

Newman was entitled to damages for that, said the appeal judges. But those damages would be nearer £45,000 than the £450,000 indicated by the High Court judge against whose ruling in February last year Mr Bartlett and Mr Laughton appealed.

The two men's appeal will not be formally dismissed until another hearing in October, when the court has heard arguments on costs and damages.

Lord Justice Cumming-Bruce said the court would hear submissions on how much of the damages should be paid by Mr Bartlett and Mr Laughton personally, and how much by TPG.

The appeal judges read their judgment out over four days this week. And after they finished Mr Bartlett said he regarded the whole thing as "rather a tragedy."

He was very concerned about the damage which it had done to Newman and its shareholders. The company had been crucified by the case, which had supposedly been brought to benefit it.

The Prudential said afterwards it would not comment on the case until it had been *finally disposed of in October.*

The case centred on a circular issued by Mr Bartlett and Mr Laughton in 1975 proposing to shareholders the purchase for £350,000 of a package of assets and liabilities of TPG.

The Prudential, a minority shareholder in Newman, alleged that the circular was "tricky and misleading" and sued Mr Bartlett and Mr Laughton on its own behalf and on behalf of Newman and its shareholders.

In the High Court Mr Justice Vinelott agreed that the circular was tricky and misleading and held that the two men had conspired to damage Newman for the benefit of TPG. Those findings were rejected by the three appeal judges.

Lord Justice Cumming-Bruce said that the Prudential had attempted to overwhelm the appeal court with 30 or more accusations of fraud.

In the end the number was reduced to six, and the Prudential abandoned one of those.

The appeal judges held that Mr Bartlett and Mr Laughton genuinely believed the TPG deal was in Newman's interests.

TPG had been in financial difficulties at the time, but it did not follow that Mr Bartlett and Mr Laughton were guilty of fraud or breach of duty to Newman because the deal benefited TPG more than Newman.

They would not have been entitled to propose the deal unless they believed it would benefit both companies.

Lord Justice Cumming-Bruce said the transaction had been a gamble. Newman had decided to gamble, and had been successful.

There had not been sufficient evidence to justify Mr Justice Vinelott's finding that Mr Laughton did not genuinely believe that the valuation of the TPG assets had been a proper one.

Nor was there evidence to support the finding that the two men made false representations to Mr Peter Cooper, of City accountants Deloitte Haskins and Sells, who made an independent valuation of the package.

The appeal judges held that Mr Cooper had not been "over-persuaded" to increase his valuation figure.

But to win a boardroom battle, and carry through a transaction which had proved advantageous to Newman, Mr Bartlett and Mr Laughton had kept the Newman board in the dark about advance payments they had procured for TPG, to help it out of its financial difficulties.

Commons committee hits out at lack of housing forecasts

BY MICHAEL CASSELL

ENORMOUS cuts in housing expenditure had been made without any efforts to find out the full extent of needs or the likely impact of reduced spending, an all-party Commons select committee said yesterday.

The third report of the Commons environment committee claimed that the Government's failure to establish any estimates of demand appeared to have resulted in housing expenditure being treated as nothing more than a "residual item," which received whatever was left over after other spending programmes had been set.

The committee has been engaged in a long-running battle with Mr. Michael Heseltine, Secretary for the Environment, who has consistently refused to launch an updated review of housing needs, which he believes are notoriously unreliable.

He *claims he is unable to* provide forecasts of housing output *and modernisation programmes* because of the wide *discretion given to local authorities* in deciding capital allocations.

Under government plans, public spending on housing in England is to be reduced by nearly 48 per cent—to £2.2bn—between 1980-81 and 1983-84. Over the same period, the total proportion of public spending allocated to housing will *fall* from 5.4 per cent to 2.9 per cent.

In calling upon Mr Heseltine to order an inquiry to establish the probable supply of housing in relation to expected demand, the committee expressed disbelief that any major government department could argue its case in Cabinet without any estimates of its needs or of the consequences of different spending options.

In its first report the committee calculated that there could be as many as 500,000 fewer homes in Britain by the middle of the current decade than the 1977 Housing Green Paper believed would be necessary.

Mr Bruce Douglas-Mann, chairman of the committee, said yesterday that the figure had been revised downwards to around 420,000

New Maze proposals fail to end deadlock

BY OUR BELFAST CORRESPONDENT

THE CHANCES of averting further deaths in the hunger *strike in the Maze Prison in* Northern Ireland receded further yesterday, *in spite of* another attempt to find a basis *for breaking the deadlock.*

The new initiative was taken by *relatives of the prisoners.* Roman Catholic clergy, mem*bers of the provisional Sinn* Fein and the Irish Republican *Socialist Party. They set up a* body which would monitor the *progress of prison reform,* should the hunger strike be *called off.*

However, there was no sign *that the proposal would appeal* to the hunger strikers or to the Government. The National H-Blocks Committee said the new body had no part to play in reaching a settlement.

The hunger strikers have already rejected a last-minute appeal to end thir protest from Dr Edward Daly, the Roman Catholic Bishop of Derry.

Two of the prisoners are close to death. Mr Kieran Doherty, elected to the Irish Parliament in June, was yesterday on his 71st day without food and Mr Kevin Lynch, who was reported to be unconscious, was on the 70th day of his fast.

Three members of the ruling French socialist party were *refused permission to visit the* hunger strikers. The Northern *Ireland Office said the visit* would serve no useful purpose, *but Government officials were* prepared to meet the delegation *to explain the background of* the dispute.

Meanwhile, the Rev. Ian Paisley's Democratic Unionist Party has decided not to challenge the Official Unionist Party in the August 20 by-election in Fermanagh-South Tyrone, caused by the death of hunger striker, Mr Bobby Sands.

Mr Owen Carron, who was Mr Sands' election agent, is to fight the seat for the National H-Blocks Committee.

The mainly Roman Catholic Social Democratic and Labour Party, which did not fight the seat at the last by-election, has decided in principle that it should enter the contest this time, but the final decision lies with the constituency party which may not select a candidate.

Mr Sands won the seat with a majority of 1,400 in a straight fight against the Official Unionists.

Nationwide issues £5m negotiable bonds

By Michael Cassell

THE Nationwide Building Society yesterday issued £5m of negotiable bonds via a placing on the London Stock Exchange.

Similar to local authority yearling bonds, they will have a life of just more than one year and Nationwide says it plans further issues, subject to Bank of England approval, to raise a total of £100m.

Nationwide is the first building society to obtain a Stock Exchange listing for bonds although Alliance introduced a similar unlisted bond last September which has raised about £50m to date. The Nationwide bond will pay interest half-yearly as opposed to Alliance's annual payout.

Negotiable bonds are seen as an alternative source of finance for building societies at a time when the flow of funds from traditional areas is being squeezed by increasing competition. The bonds have been placed by Fulton Packshaw, Laurie Milbank and Rowe and Pitman, who acted as Nationwide's advisers for the issue.

Zone opens

WAKEFIELD'S enterprise zone opened for business yesterday, following Swansea, Corby and Dudley.

The zone, at Langthwaite Grange, offers a 10-year rates *holiday for companies* established within its boundaries, *freedom from* development land tax and *100 per cent allowances on* commercial and industrial *properties.*

Hearing adjourned

THE HEARING of an application for discharge from bankruptcy by Mr William Stern, the former property tycoon, whose debts are estimated at more than *£118m*, was adjourned to August 25 at London Bankruptcy court yesterday.

Dr Haigh resigns

DR CLEMENT HAIGH, British National Oil Corporation's director of research, has resigned in order to concentrate on energy consultancy work. He will continue to serve *the corporation in a* part-time consultancy capacity.

Premium decision

THE APPEAL Court yesterday ruled that the Law Society's professional indemnity insurance scheme, which is compulsory for its members, was valid. It also ruled that the society could not use the commission it received from the insurers on the premiums paid by members for its own purposes.

The society was given leave to appeal to the House of Lords.

430 jobs lost

ROYAL DOULTON is to close *two of its Royal Albert Group* factories—Longton's Edensor *plant and the Montrose factory* at Trentham—with the *loss of 430 jobs. The* redundancies mean that more *than 8,000 pottery workers* have lost their jobs in North *Staffordshire in the past year.*

MPs in plea for transport cash

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

The Government must immediately begin to take *decisions on "vital and socially desirable"* capital investment *programmes in transport,* MPs on the House of Commons *transport committee said* yesterday in a report on the 1981 *public expenditure white paper.*

"Governments of whatever *complexion eventually* will have to recognise that investment in roads and public transport is not a luxury, but a necessity," Mr Tom Bradley, the Social Democrat MP for Leicester East and chairman of the committee, said after publication of *the report.*

The Government shows few signs of recognising the severity of the problem, he said.

The MPs were critical of the Transport Department's control of the *"deliberate but unquantified over-programming"* in the road construction and maintenance programme. "In our view it is extraordinary, that, six years after the introduction of the cash limit system, it has not yet proved possible to develop the system of expenditure forecasting and management to avoid discrepencies of up to 14 per cent between forecast and outturn spending," says the report.

The MPs also criticise the Government for its failure to recognise the "exceptional difficulties" faced by the nationalised transport industries such as British Rail and the National Bus Company at a time of slump.

The committee is to examine British Rail's proposals for electrification and the Government's response. The MPs expressed their concern about the Government's approach of making investment in electrification conditional on the profitability of the scheme and on higher productivity.

They also want the Government to consider a possible financial reconstruction of the National Bus Company to rid the NBC of its high capital debt. This would be replaced by Government - held dividend shares in the NBC.

House of Commons, fifth report from the Transport Committee, 1980-81, "The Transport Aspects of the 1981 public expenditure white paper," House of Commons Paper 299, SO £3.90.

GLC asks boroughs to review all office plans

BY ANDREW TAYLOR

THE Greater London Council has asked all London boroughs to review existing structure plans in the light of its restrictive policy on new office development.

Council planning officers are already working to see if changes can be made to the Greater London Development Plan, particularly where this has designated certain sites for large scale office development.

The decision by the GLC planning committee to ask London boroughs to review agreed structure plans is a significant departure from the recommendations in a report by council officers which outlined how the new Labour office-building policy was to work.

The report had recommended that building should be allowed *to proceed on sites which had* been designated for office *development in existing local* plans. Where structure plans *had not been agreed, proposals* should take account of the new policy of general restraint on office development.

Mr Ed Gouge, leader of the planning committee, emphasised that the London boroughs were being asked to do no more than review structure plans. He added that if changes to plans were applicable it did not necessarily mean there would have to be a public inquiry.

The planning committee accepted by 11 votes to eight —with Conservatives voting against—the main recommendations contained in the officers' report: that new office development *should* not be permitted unless it stimulated additional industrial jobs or provided other benefits for the com*munity*, such as transport facilities.

The committee also accepted a recommendation that developments be permitted *in exceptional cases*—where it was for a "named occupier" and "accepted as being necessary *in support of London's* economy."

*The opposition has success*fully asked for a full GLC council meeting on September 8 to debate Labour's planning and development policies.

Dimbleby lecture candidate vetoed

BY ARTHUR SANDLES

SIR IAN TRETHOWAN, director general of the BBC, has vetoed proposals for Professor E. P. Thompson to give this year's BBC-TV Dimbleby lecture on the subject of nuclear disarmament.

Final decisions on who gives the lecture—the television *answer to radio's Reith lectures* —are normally taken by the *governors of the corporation.*

Sir Ian decided not to pass *on the recommendations of* Mr Eddie Mirzoff, the programme's producer, and Mr Alasdair Milne, the managing director of television.

Professor Thompson, who is a campaigner for the left, particularly for nuclear disarmament, *is an historian*, author and contributor to magazines and newspapers. He *was* one of a number of people approached as possible Dimbleby lecturers—and was *the one most heavily endorsed* by the BBC staff involved.

The veto has upset many BBC staff, particularly as the director general interferred before passing on a list to the governors with comments, as is normal practice.

The Dimbleby lectures were introduced in 1972 in memory *of Richard Dimbleby*, the BBC's famous commentator.

● Sir *William Rees-Mogg*, former editor of The Times, *has been appointed a governor* and vice-chairman of the BBC *for five years from today.* Mr *George Howard*, the chairman, *was appointed last year and is* due to stay until at least July 31 1983.

New defence sales chief

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

MR JOHN NOTT, Secretary for Defence, has appointed Mr James Blyth, 41, to be the next Head of Defence Sales *in succession* to Sir Ronald Ellis, *whose five-year appointment* ends on August 31.

Mr Blyth will take over the department in the Defence *Ministry responsible for export*ing defence products worth *more than* £1.2bn a year. His salary will be about £28,500.

Mr Blyth is being seconded to the ministry for up to five years by Lucas Industries, with whom he has worked since 1974 *and where he is general manager* of Lucas Aerospace.

Before joining Lucas Industries he was a product manager *with General Foods* (1968-1971), and marketing manager *of Mars Food (subsequently* sales and marketing director) *from 1971 to 1974.*

Mr Blyth is a council member *of the Society of British* Aerospace Companies.

Sir Ronald Ellis was seconded to the ministry by British Leyland.

More aid for setting up in assisted areas

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

INCREASES of up to a third in *Government aid for service* industries setting up in assisted *areas were announced yesterday* by the Department of Industry. *New forms of aid are also being* introduced.

Ministers are anxious to do more to encourage service industries *to move into poorer industrial* areas. They have been urged *in particular to do more* in Merseyside.

The *increases announced* yesterday are intended partly to *cover the rise in inflation since* the levels of aid were set in *1979, and partly to provide* increased help.

The maximum grant paid to a company setting up in a *special development area rather* than in a non-assisted area goes *up from £6,000 per job to £8,000.* Aid in development areas rises *from £4,000 to £5,000, and in* intermediate areas from £2,000 *to £2,500.*

Grants to help employees pay *removal bills are raised from* £1,500 to £2,500, and a new *grant will cover* 25 *per cent of* fees paid by companies for *feasibility studies.*

In general companies can only *receive this aid if they persuade* the Department that they have *a genuine choice about going to* an assisted area. This rule, however, is now being waived for businesses providing profes*sional advice and other services* to industry.

● The Industry Department's small firms counselling service *dealt with 10,126 advice appoint*ments in 1980-81 compared with 6,329 *in the previous year.*

LABOUR

Port's 24 hour cargo handling restored

BY PAULINE CLARK, LABOUR STAFF

THE PORT of Southampton yesterday restored its 24 hour cargo handling service to shippers for the first time in about 15 weeks. This followed agreement by cargo checkers to return to normal working while negotiations continue on a pay dispute.

The port, which has suffered the longest period of industrial disruption to its operations in its history this year, hoped to end its single weekday-only shift regime two weeks ago after settlement of a major pay dispute with its 6,000 registered dockers.

The 200 strong non-registered checkers group in the National Union of Railwaymen refused to co-operate because of a pay *grievance arising directly out of* the dockers' two-year deal.

Employers, led by the British Transport Docks Board, are seeking a reduction in non-registered staff shifts from five to three to bring them in line with the dockers. The dockers' pay dispute had originally been founded on their claim for earnings parity with non-registered staff.

A compromise formula on a more economical shift pattern has already been accepted by foremen in the Transport and General Workers Union.

Checkers have continued to resist changes which employers accept will lead to some reduction in earnings because of consequential cuts in overtime. Unions have estimated that pro*posals could cost staff up to £30* a week.

Printers in bid to retain statutory training board

BY ALAN PIKE

THE leading print craft union warned yesterday that the problem of introducing training for skills needed for new technology in the printing and newspaper industries will not be solved without statutory support.

Mr Joe Wade, general secretary of the National Graphical Association, said that his union recognised that training, not just for young entrants but for adults, had to change. But he was disappointed that the Manpower Services Commission's sectoral review of industrial training requirements, published on Thursday, had not been firmly in favour of retaining a statutory training board in the industry.

The MSC is recommending to the Government that seven statutory training boards, covering about 7m workers, should be retained. It has made no final decision about the future of 17 other boards, including the printing and publishing and paper and paper products boards.

Trying to decide whether or not the printing industry should continue to have statutory training arrangements appears to have caused the MSC researchers a particular *dilemma.* The *commission's* report says that the printing and *publishing board has made posi*tive contributions to the planning of training, but has not been able to confront directly the difficult problems of reforming apprentice training, introducing new technology and promoting adult training in the printing industry.

National pact with Fraser reassures shops union

BY PAULINE CLARK, LABOUR STAFF

THE HOUSE of Fraser and the Union of Shop Distributive and Allied Workers have signed a national recognition and procedure agreement which the union believes should help to ensure that it is consulted fully on any change affecting employees after a takeover.

Although the company has given formal recognition for many years to USDAW, which has 470,000 members, the union recently sought to consolidate its position because of fears among members—notably its branch at Harrods, the London department store—about any changes which Lonrho might want to make if its takeover bid is approved by the Monopolies Commission.

The agreement gives national negotiating rights on behalf of 10,000 workers employed by House of Fraser in its retail stores throughout the country. Until now pay negotiations have been *fragmented.*

Although Harrods will continue to negotiate separately on pay for its own staff this will be within the framework of levels agreed nationally, and workers there will be covered by the recognition and disputes sections of the agreement.

In the past, pay levels for House of Fraser weekly paid retail staff have followed agreements reached with the union in stores in the North of England and Scotland, but only as an unwritten understanding.

Tougher line by employers

BY PAULINE CLARK, LABOUR STAFF

EUROPEAN unions are faced with tougher employers' attitudes as a result of the economic recession and are adopting "the absolute necessity" of improving employment as the main target, according to the European Trade Union Institute.

The climate in which unions *are operating in Europe* is described in a report published *by the institute entitled* Collective Bargaining in Western Europe 1980 and Perspectives 1981.

After conducting a survey of collective bargaining in Western Europe, the institute concluded that unions' other priorities included defence of workers' purchasing power, particularly among the low paid, and efforts to ensure fair distribution of the consequences of the economic crisis.

The toughening attitudes of employers was shown by their attempts to use the crisis for restructuring rather than maintaining and creating jobs, it said.

The ETUI, which was set up in 1978 as the research arm of the European trade union movement, warns unions that employers "are trying hard to place the burden of the crisis on the workers or on society as a whole.

"Not only do they reject union claims, but they also question existing agreements. In some countries they have even gone as far as resorting to lock-outs at national level."

Medical officers awarded 7%

MEDICAL AND dental officers in the armed forces have been *awarded an average 7 per cent* pay rise, the Prime Minister *announced yesterday.*

Mrs Thatcher said in a Com*mons written reply that the in*crease, backdated to April 1, *follows the Government's earlier decision to accept in full the* recommendations in the armed *forces pay review body report.*

Medical major generals will *also receive the 7 per cent in*crease as part of the package *which was decided in line with* a supplementary report by the *review body.*

Unions and Government count the cost as civil servants prepare for return to work

Philip Bassett finds there are no winners after the 21-week dispute

PARALLELS are already being made between the Civil Service strikes, drawing to a close after 21 weeks with a return to work from Monday, and the 1971 Post Office workers' strike—perhaps the most inglorious defeat in recent union history.

Leaders of the Council of Civil Service Unions are quick to rebut such comparisons, arguing that the forward commitments in the Government's pay package—negotiations for next year's deal without pre-set cash limits, supported by qualified arbitration and an independent pay inquiry—may make the holding down of civil servants' wage rises to 7.5 per cent this year a Pyrrhic victory.

As a membership circular sent out yesterday by the Civil and Public Services Association, the largest union in the service, put it: "No one is foolishly claiming victories; but no one is talking about defeat."

There is a considerable amount of truth in this. In a dispute which has been allowed to drag on for so long —it is the longest national dispute since the miners' stoppages after the 1926 General Strike—there can be no such simple conclusion as victors and vanquished.

The parallel, though, does have some significance, and not just because at the time the Post Office had stood alone from the Civil Service for only two years.

The seven-week strike of the Union of Post Office Workers nearly bankrupted the union: the Civil Service strikes will have cost the CCSU about £9.5m, mainly made up by a levy of members, though this still leaves the unions with a shortfall of about £2.5m, which will have to come from reserves.

The UPW had to increase its *subscription rates by about* 25 per cent and it took about two years to recover *financially.* The Civil Service unions' shortfall will have *to be made* up from somewhere, and the CPSA has admitted that its *strike* fund is exhausted.

The UPW became much more cautious in its approach to industrial relations. Despite the gains of the Left during the Civil Service dispute, the outcome is likely to produce a substantial backlash against the union leadership for their tactics and decisions, which may make them wish to con*serve rather than test their* authority.

At the end of the UPW strike, Mr Tom Jackson, its general secretary, made an impassioned appeal for the public sector unions to act together on pay. Civil Service union leaders, who have been privately urging such a move for some time, will make precisely that call in motions submitted to the TUC Congress next month.

The damage and disruption caused by the *Civil Service* strikes may be longer lasting. In a round-up of the effects of the action, the unions estimated *yesterday that about* £8bn in government revenue had been *halted—mainly PAYE and VAT,* but also £60m in betting duty, £5m *in court fees and charges,* and about £1.5m in driving *licence fees.*

The unions said the Government's interest charges on its increased borrowing to cover the cost of the strikes amounted to about £200m. Around £25m *had been overpaid in unemploy*ment benefit; £1m in delayed water charges in Northern Ireland and £500,000 lost in payments for special arrangements to circumvent the stopping of benefit computers.

In addition, about 500,000 VAT repayments are outstanding, about £40m in farmers' grants and £100m in EEC intervention grants was halted.

The Government has disputed the accuracy of the unions' figures, but perhaps significantly now that the dispute is over, the Treasury's estimate yesterday of the amount of tax revenue halted showed a sudden sharp increase from its previous figure of £4.5bn to between £6bn and £6.5bn, explained by July being a heavy tax month, with substantial payments halted of advance Corporation Tax and Schedule D income tax.

In the private sector, airlines in particular were badly hit, with British Airways cancelling more than 2,000 flights because of air traffic control action and losing perhaps £40m estimated profit, and Pan Am warning it might take legal action to offset losses caused by the strikes.

Ministers will be keen that the blacklog of work caused by halting such huge sums should be cleared as quickly as possible. The official return to work agreement provides for this, but the bitterness at local level—particularly in such areas as the *Inland Revenue,* where senior staff have been suspending their juniors and picketing has been fierce—may make it difficult.

It will also cost the Government a considerable amount in overtime payments to clear up the strikes' effects, which *may* more than take account of the *£10m it has saved in non*payment of strikers' salaries. *Many estimates, including the* Treasury's, talk of a number of *months before a return to* normal working.

The ordinary civil servant may not be embittered against the Government or "politicised", once the strike is over.

But for Ministers to delight even privately, *as some are,* in the unions' humiliation will create at the very least a sullen resentment, which is hardly the way towards a more productive and efficient Civil Service.

THE WEEK IN THE MARKETS

Small buying amid the bunting

LONDON

ONLOOKER

The crowds cheering loyally on the Royal Wedding route from Buckingham Palace to Saint Paul's may not have looked very old, they came in all ages and shapes and sizes, but the population as a whole will now qualify for what used to be known as "Granny Bonds."

In theory, that announcement by the Financial Secretary to the Treasury, Mr Nigel Lawson, should have sparked a revival in gilt-edged securities on the day after the big event on the basis that the Government's major funding burden will be alleviated by many more index-linked issues. But it was the end of the protracted civil service dispute and a slightly lower interest rate outlook made most impact in what was a very quiet week in the gilt edged market.

And for all the Union flags and bunting on most dealers' pitches, it was the special situations which, as so often in the past, served to enliven a thin level of equity trade.

Ofrex was the star performer, rising 30 per cent on the week, enjoying the determined two horse race by Denison and Gallaher.

Amalgamated Power Engineering seems to have succumbed quite quickly. Its suitor, Nortern Engineering Industries, won voting control during the week without having to go through all the tiresome formalities of a formal offer document. APE, needless to say, had nothing to which to object. The majority of its shareholders have jumped ship without receiving a broadside.

One projected merger folded. Sedgwick Group, the insurance broker, announced that it was not going to the altar with its counterpart based on the other side of the Atlantic. Alexander Services. Tax arrangements or the lack of an acceptable agreement broke off the engagement. The one big transatlantic insurance broking marriage which has gone through, Marsh and McLennan and C. T. Bowring, showed how fractious a honeymoon can be. The second quarter drop in earnings was blamed on the performance of Bowring, the UK side of the group.

Impartial ICI

ICI would stand as a useful arbiter between the Confederation of British Industry and the Chancellor of the Exchequer. Their differences boil down to a matter of interpretation with the CBI waiting for firm evidence of an upturn before declaring that the recovery has arrived and Sir Geoffrey ready to read optimism into the entrails of the economic indicators.

Down on Millbank, ICI was keeping its feet firmly on the floor: "there is still no sign of a satisfactory recovery," the group insisted, "and price levels remain unsatisfactory in many parts of the business."

The second quarter figures were, in part, neither confirming the worst nor fulfilling the optimists' expectations. The group reported pre-tax profits of £83m in the three months to June against £52m in the previous three months and £103m in the second quarter of 1980.

Against that, ICI's rationalisation programme has cost £10m in the second quarter for redundancy costs by comparison with about £17m in the first three months of the year. But the trend looks satisfactory without any indication that demand is better than what would be seasonally expected.

The second quarter is always good for ICI with healthy volume in North American markets and the home agricultural trade. The decline of sterling parities, too, has helped eliminate losses on export sales. The stock market was reasonably encouraged, lifting the shares by 10p to 278p on Thursday and taking Fisons, Glaxo and other leaders upward in sympathy.

But belt tightening and a critical appraisal of the all-round shape of the business is the message that Millbank management is trying to get across and its effect on operating divisions from London to Merseyside and to Teesside. After heavy rationalisation, which has fallen hard on the Mond division and fibres in particular, the group is beginning to staunch the losses in many of its ailing operations. Few areas are bullet-proof. As one of ICI's senior managers put it during the week, "now people are aware that ICI cannot guarantee orders and jobs for everyone for ever."

Lonrho's headaches

Lonrho's headaches at home aren't just to do with the House of Fraser. Its depressed earnings at the pre-tax level, down 18 per cent to £40.7m, are largely due to steel losses apparently running at twice last year's level at £1m, depressed demand in its UK motor distribution and manufacturing activities and pressures on its textile units. At the attributable level, profits were halved in large part because of Lonrho's habit of gearing at every level in order to make the top line look its best.

Overseas, the mining sector is not as bad as feared given the decline in metal prices. Output of gold is up in Zimbabwe, which should balance the price slump satisfactorily. The same should hold with South African platinum as well as with the group's agricultural interests. Lonrho is expected to show an improvement in the second half, historically a stronger period. The partial closure of Hadfields, the group's Sheffield steel subsidiary, will be expensive and could take a £10m extraordinary credit in the current half. But the company says this charge will be substantially offset by extraordinary credits, although it has so far been unwilling to say where they will come from.

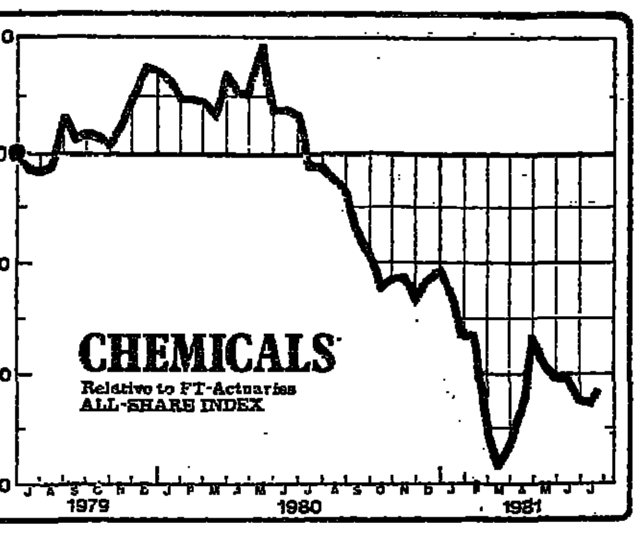
House of Fraser's shares at the week's end were at 175p, some 25p over Lonrho's last bid price. With a few weeks to go until the Monopolies Commission decision on the bid, another attempt could prove expensive if the commission gives the go-ahead.

Natwest disappoints

The rapid growth that NatWest enjoyed in the late 1970s seems to be faltering. In the latest half year, historic cost pre-tax profits were 12½ per cent lower than in the same period in 1980, albeit 6 per cent higher than the six months immediately preceding. This performance follows a 7 per cent decline in profits last year and compares with the strong growth at Lloyds, where profits rose 5 per cent in 1980, and a further 20 per cent in the first half of the current year.

So, although the full set of first half results from the clearers is not yet available, it looks as if NatWest will not be in the top half of the draw. Whereas last year the main disappointment was the domestic side, where costs were not contained, in the first half this year the reason for NatWest's's underperformance of Lloyds can be attributed to the international arm.

Profits from international banking were down by nearly a fifth on the same period a year ago. It looks as if some of last year's profits were pretty exceptional, arising from the strength of the pound, and that the group is not so well placed to take advantage of other kinds of currency turbulence.



USH rights

Shareholders of United Scientific Holdings will probably not begrudge the company the £27m it is seeking through a seven-for-17 rights issue. USH has a specific purpose for the cash—the purchase of BL's Alvis division—and remarkable share price growth together with a steady build-up of liquid funds have made scrip issues more common than rights issues over the past few years.

The purchase of Alvis, which makes Scorpion armoured vehicles, will more than double the size of the high-flying USH and lead it into the heavy end of the defence contracting market. The rights issue document suggests that shareholders will suffer no earnings dilution in the current year. Alvis is expected to make at least £5.5m pre-tax and USH is on target for £6m or more.

But, as Alvis will be contributing for only six weeks in the current year, shareholders will be setting their sights on 1981-1982 and here the outlook is a little murky. The rights issue document comments ominously that the bulk of Alvis profits will be made in the first half of this year and, with major Ministry of Defence contracts running out, USH will need to push Alvis products hard through its international marketing network.

Fortunately, the enlarged balance-sheet is strong enough to withstand any temporary problems. The rights issue proceeds will repay Alvis' debt to BL and a timely property revaluation has knocked around £1m off goodwill.

F. H. Lloyd's tangle

On Thursday Cooper Industries appeared to have won virtual control of its very much larger steel and engineering counterpart, F. H. Lloyd.

The events which led to what one of the directors later described as a "most acrimonious meeting" can be traced to the end of last year when Lloyd brought out Cooper's 50 per cent stake in a jointly owned mini-mill in Dudley. The consideration of £2m empowered Cooper to build up its stake in Lloyd to the point where it had almost 30 per cent of the shares. It asked for, and got, two seats on the Lloyd board.

At a board meeting at the Carlton Tower in June, the plot became rather more complicated when it was agreed to remove Mr Frank Clymer, the chief executive, from the board. Mr Clymer had been with the group for over 40 years, had been the chief architect of the industry-wide rationalisation of the steel foundry sector, the group's own investment in mini-mill capacity and was probably Lloyd's best-known representative in the City.

Further changes are now taking place. Having called for a poll at the annual meeting, Cooper ousted two recent appointments to the F. H. Lloyd board, which had been undertaken as part of a group shake-up, and succeeded in putting two more of its own people as directors in their place.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	528.1	+ 7.9	597.3	446.0	Leaders quietly firm
AAH	205	+25	208	173	Results and 100% scrip issue
Aeronautical & General	320	−80	430	320	Profits warning
Amalgamated Metal	275	+45	325	223	Demand in thin market
Harris & Sheldon	53	+21	53	28.5	Bid from Otis Elevator
Hill (C.) of Bristol	150	+20	150	40	Thin market/management changes
Howard Tenens	74	+12	74	46	Bid hopes
ICI	280	+22	330	226	Int. profits above estimates
International Thomson	259	+31	315	220	Broker's circular
Johnson Matthey	267	+17	285	184	Chairman's AGM statement
Moss Bros.	165	+25	202	130	Hopes of good trading
NatWest Bank	400	−15	425	342	Disappointing interim results
Norton & Wright	38	+ 7	50	33	Trading [illegible] out
Ofrex	160	+29	162	64	Denison Mfg./Gallaher bid battle
Pratt (F.)	90	+ 7	120	43	Bid speculation
Reed Intl.	267	+32	282	189	Good 1st-quarter figures
RTZ	565	+38	590	372	Firm base-metal prices
Stirling Knitting	92	+21.5	92	37	Annual results and scrip issue
Tanks	327	+20	375	218	Firm base-metal prices
Westbrick Products	85	+ 0.5	87	45	C. H. Beazer bid rejected

A touch of joy

NEW YORK

PAUL BETTS

A LITTLE ray of sunshine broke through the skyscrapers into the New York stock market yesterday. After 50 days, the great American baseball strike, which like U.S. interest rates has been depressing the market, was resolved. President Reagan triumphed on Capitol Hill with his three-year 25 per cent tax cut package which will speed up depreciation for companies and reduce the taxes investors pay on their securities.

The combination of all this has been a tonic for the market with the Dow Jones Industrial Average making a tentative attempt at a rally in the later part of the week.

With the exception of the odd technical rally, no one expects the market to make a sustained recovery in the near term. The outlook on interest rates remains uncertain to say the least, the Fed shows no intent to ease in the slightest its tight monetary posture, the economy is losing momentum (the leading economic indicators for June were 1.3 per cent down) and the bond market is still in a state of coma, especially after the latest Treasury borrowing figures for the rest of this year.

Although second quarter profits have improved from the depressed levels of last year, the next few months are expected to be difficult, especially if the economy does slow down in any significant fashion. Nonetheless, corporate profits in the second quarter rose by an average of 23 per cent, thanks largely to the turnaround in the steel and automobile industry. But both these industries have already warned of troubles ahead, especially if interest rates remain sustained and demand for cars declines again as it is showing every sign of doing.

The big action, however, continued on the takeover front. The battel for Conoco is now coming to a head. To all intents, the unprecedent takeover is expected to be resolved by next Wednesday. Although at this stage it looks as if Du Pont has the lead against Mobil and Seagram, the rival bidders for Conoco, the outcome is by no means certain.

In the past 24 hours, the rival candidates and Conoco itself have been taking full page ads in U.S. newspapers to plug their rival bids. The takeover battle has now been transformed into one enormous street brawl with the various parties holding emergency "war councils" at all times of day.

Mobil earlier this week raised its total offer to a staggering $8.2bn in an attempt to lure shareholders of Conoco to tender their shares to the giant oil company despite the possibilities that the Justice Department might block or delay a Mobil takeover on anti-trust grounds. But Mobil is confident its bid poses no anti-trust issues. In any case, if the Justice Department, which has kept remarkably silent, says nothing by today, Mobil will be able to go ahead with its offer. That is because the statutory waiting period will have elapsed without the Justice Department making either any objections or asking for additional information from Mobil.

The takeover battle is now a race against time. By today Seagram will be in a position to start paying cash for all Conoco shares tendered in its $92 a share offer for 51 per cent of the oil company. Du Pont, which said yesterday it had been cleared by the Justice Department except on one small and relatively insignificant count, will start paying for shares tendered to it on Wednesday.

At present about 56 per cent of Conoco shares have been tendered to Du Pont and 20 per cent to Seagram with the rest presumably to Mobil. But shareholders still have time to switch from one offer to another. In the case of Seagram, the deadline was midnight yesterday. In the case of Du Pont it is midnight Tuesday and for Mobil, midnight Thursday.

By the middle of next week, the winner of the race will be known. But already there is speculation that perhaps no one will actually come out clearly on top. So you could well have a situation in which Du Pont gets a large percentage, Mobil gets also a significant shareholding and Seagram gets about 20 per cent.

Ultimately, the big institutions will decide on the outcome. The large institutional investors currently control about 62 per cent of Conoco's 87m outstanding shares. About 24 per cent is in the hands of some 70,000 individuals, including Conoco directors who all favour the Du Pont merger. The remaining 14 per cent are held by the risk arbitrageurs of Wall Street's professional takeover speculators.

MONDAY	945.87	+9.13
TUESDAY	939.40	−6.47
WEDNESDAY	937.40	−2.00
THURSDAY	945.11	+7.71

The house of a bankrupt

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My brother has recently been declared bankrupt, and among his assets are his house, jointly owned with his wife. There seems to be a conflict of opinion regarding the application of Section 30 of the LPA. Would the Courts enforce a sale of the property leaving my sister-in-law and brother homeless?

We assume that you mean to refer to Section 30 of the Law of Property Act 1925. The normal rule is for a sale to be enforced, but the Court has a discretion not to order a sale, where the circumstances seem to justify such a course.

A liability to CGT

I am the sole executrix and beneficiary of my husband who died last September. I may wish to sell some of his shares and on inquiry from the tax office was told that these would be exempt from capital gains tax if sold within a year of death. My accountant disagreed and on further inquiry from the tax office was told that the beneficiary was liable for CGT. Does my dual position as executor and beneficiary complicate matters? Could you say just what the position is?

Basically, your accountant seems to be right. As personal representative you would be entitled to the extent of £3,000 on all gains made up to the end of the second tax year after your husband's death. If you transfer shares to beneficiaries including yourself they would take them at the probate valuation, and, of course, if they sell and make a gain they would be liable to tax, with the annual relief of the first £3,000 per tax year.

A house in Bermuda

My sister is married to a born Bermudian and they have a house in Bermuda in their joint names, part of whose purchase price came originally from her. My sister left Bermuda a year ago and is unlikely to return, though no separation or divorce proceedings have been started. Could you tell me what rights my sister has in the house now and if she wished to divorce her husband in Britain?

Immovable property situate in Bermuda is governed by Bermudan law. However in the event of matrimonial proceedings being instituted in England the English court would normally take account of equitable rights or claims in respect of that property in making financial provision here. Thus a claim to an equitable interest equivalent to a half share in the Bermudan house might be given effect here if the respondent has assets within the jurisdiction.

Recovery of possession

Could you please advise what the following implies, on a Furnished Tenancy agreement: "... Possession of the premises may be recovered under that Section and Case 11 of part II of Schedule 15 to the Rent Act 1977?

Case 11 is the provision for recovery of possession by an owner-occupier who requires the dwelling for occupation by himself or any member of his family. It applies only to regulated tenancies.

Cars caravans and VAT

I have arranged to purchase privately and take delivery on August 24 next of a used Volkswagen, 1800 automatic Caravelle Continental (82 registration). This is a business vehicle on the books of a registered VAT trader who has received an "output" credit.

I am advised by Customs and Excise that this is a VAT chargeable transaction, which at 15 per cent on the purchase price of £3,000, is £450. I am concerned to know whether this Customs' decision is correct. I suggested to them that the vehicle was a motor caravan and subject to the relief under S.I 1980, No. 152, para 4(d). They regard the vehicle as a "caravan," since it has sleeping and dining facilities. I have been unable to locate the source of this definition of caravan. Could you tell me what the true position is?

If the vehicle is not a motor car then it is presumably a motor caravan. The vendor will then use a scheme relating to second-hand caravans. This scheme is similar to the one relating to cars and provided the rules are adhered to the vendor will only have to account for VAT on the profit made on the sale and not on the whole sale proceeds. One rule common to both schemes is that they do not apply where the vendor had claimed credit for the input tax on the purchase of the vehicle.

Taxation of the elderly

My income is £5,200 pension plus state pension £2,349 plus wife's earned income of about £2,000 (variable). I have no dependants. I thought that any income less than £11,250 paid tax at 30 per cent rate. When I raised this point the tax office wrote as follows, "The limit of £11,250 to which you refer applies to higher rate liability only and therefore does not apply in your case. The reason why your teachers pension will be taxed at 31 per cent is because your National Insurance Retirement pension exceeds your total allowances and the additional rate is to collect the tax due on the excess of £204. As the rate of National Insurance Pension is not always paid at a standard rate each case is treated individually. Wife's earned income is given only against wife's earned income and included in her coding. I trust the position is now clear . . .". It is not at all clear to me. Can you please explain?

The rules governing the taxation of people born before April 6, 1917, are particularly complicated, unfortunately. You might like to ask your tax inspector for copies of the free leaflets IR4 and IR4A, "Income Tax and Pensioners" and "Income Tax: Age Allowance". By way of a simplified illustration, here is the effective scale of income tax for a married couple (at least one of whom was born before April 6, 1917) based on the assumption that—

(a) the wife has no earned income eligible for wife's earnings allowance, and
(b) their investment income is less than £5,501:
No tax on the first £2,895
30 per cent on the next £3,005
50 per cent on the next £1,125
30 per cent on the next £4,225
40 per cent on the next £2,000
45 per cent on the next £3,500
50 per cent on the next £5,500
55 per cent on the next £5,500
60 per cent on the remainder

In your case, the tax on your wife's earnings of £2,000 will be as follows:
No tax on the first £1,375.
30 per cent on the remainder =£187.50.

The tax on your own teaching pension and the national retirement pension (£7,749 altogether) will be as follows:
No tax on the first £2,895
30 per cent on the next £3,006 =£901.50
50 per cent on the next £1,125 =562.50
30 per cent on the remainder =£217.20
Total £1,681.20.

As you will see, your own tax bill of £1,681 is equivalent to just over 31 per cent of your teaching pension, so your 1981-82 PAYE coding will produce the right answer.

Tax on coming of age

I formed a discretionary trust in favour of my two daughters in 1967 and the following day the trustees signed a further deed the effect of which was to provide that unless it was revoked the fund passed to them at age 25.

My younger daughter comes of age (25) in January 1983 and I would like to know, if and when she receives the shares from the trust, does this constitute a sale for tax purposes? The only money in the trust is as a result of a dividend paid in 1980 and it is possible there will be a further payment this year. However, and if CGT is payable, it is unlikely there would be sufficient money in the trust to meet the assessment as the share value has substantially increased. In that event who then is responsible for payment of the tax?

A CGT liability will indeed arise upon your younger daughter's 25th birthday, under section 54(1) of the Capital Gains Tax Act 1979 (which merely re-enacts section 25(3) of the 1965 Act). The CGT is payable by the trustees, who have the right to sell sufficient of the shares to produce the cash needed to meet the tax bill (unless the trust deed says anything to the contrary). However, under section 8 of the CGT Act, the trustees can elect to pay the tax by instalments over an eight-year period.

As you say that the 1980 dividend has not been paid over to your younger daughter (despite the fact that she reached the age of 21 in 1979), we take it that you mean that the trustees' deed of appointment (the day after the settlement was made, in 1967) specifically excludes the operation of section 31(1)(ii) of the Trustee Act 1925 (as modified by the Family Law Reform Act 1969). That being so, presumably the trustees have notified the trust's tax inspector of their liability to 15 per cent income tax (investment income surcharge) under section 16 of the Finance Act 1973.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

This side of the rainbow

MINING

KENNETH MARSTON

LIKE those hare-brained moments in our weather when the sun shines brightly as the rain teems down and rainbows shimmer, base metal prices have been merrily racing ahead this week while the metal producing companies have been reporting some dismal second quarter earnings.

Only a fortnight ago I was warning of the possibility that speculative buying of metals could touch off a false boomlet in prices. After all, there is still little sign of any genuine increase in consumer demand and it is this, of course that really matters in the long run.

So we cannot yet say that the markets are on the other side of the rainbow. Even so, the metal markets are ripe for recovery and for the most part their statistical position is sound; there has not been the huge build-up of unsold stocks seen in previous recessions, although there is still plenty of nickel and aluminium about.

And while it is always worth remembering that the value of any commodity is that which the other man is prepared to pay, metal prices generally are still cheap by historical standards when inflation is taken into account.

Copper, for example, which is still under £1,000 per tonne reached its peak of just on £1,490 back in 1974 when a £ went a good deal further than it does now.

In London, the major base metal prices have made up a fair amount of lost ground with copper, lead and tin reaching their highest for some 15 months. Zinc, which previously had been particularly depressed, has touched its highest for seven years.

To a large extent these price rises reflect the weakness of sterling and those exporters who not so long ago were complaining about the strength of the £ may now complain about the rising cost of the metals they use. And all of us face the prospect of inflation returning if the prices of our metal imports continue to rise.

The intriguing thought occurs that perhaps the U.S., too, may be facing a return of inflation because metal prices in strong U.S. dollars have now also started to rise.

Gold, on the other hand, has been little moved in terms of both currencies and perhaps the precious metal is still being held back by high interest rates. If the prices of other metals continue to go up, however, gold might well follow suit.

Meanwhile, share prices of the metal producers have been acting cautiously for the most part and those of the big Australian companies have been losing ground. The latter are being unsettled to a large extent by the widespread labour unrest that is sweeping that country and this could provide buying opportunities in top-class companies for the long-term investor.

There is also thought that if metal prices continue to rise, they might act as a spur to the oil majors seeking to buy up North American natural resource companies. **Amax**, for example, could still attract another bid approach, despite the lower second quarter earnings announced this week.

The accompanying chart shows the Amax second quarter net income to have risen to $95.1m (£51.2m) which is correct. But the figure includes a profit of $46m from the sale of the holding in **Adobe Oil and Gas** and also the sale of Canadian oil and gas interests.

Thus, when this non-recurring revenue is deducted, the latest earnings are considerably down on the $70.1m earned in the previous three months. Mr Pierre Gousseland, the chairman, still expects a "satisfactory" outcome to 1981, however, hoping that an economic recovery will get under way towards the end of this year.

Asarco's chart shows how highly geared are its profits in relation to metal prices. The boom first quarter of 1980 when earnings soared to $154.3m is a far cry from the second quarter of this year when earnings were $7.5m.

High interest costs have weighed heavily on the company but its debts will now be reduced by the $141.3m received from the sale of 2.5m of its shares to Australia's **MIM Holdings**. Asarco's holding in MIM is 44 per cent.

St Joe Minerals realised a big income in the first quarter of this year from the $460m sale of its stake in **CanDel Oil**. Interest received on this money has cushioned the fall in the company's second quarter 1981 earnings which have been hit by strikes of coal and lead miners. The strikes have been settled and St Joe should now be doing better.

So, too, should **Phelps Dodge** which went into the red for a while last year as a result of industrial unrest. It is worth bearing in mind that as America's second largest copper producer, Phelps' earnings after tax move up—or down—by some $5m a year for every one cent movement in the copper price which is currently around 85 cents per pound.

Life for the nickel producers remains very difficult. The leading company, Canada's **Inco** has had a slightly better second quarter with earnings of $42.8m (the company's results are reported in U.S. dollars) but this still leaves the total for the first half of this year at $69.7m against $143.8m a year ago.

Falconbridge Nickel has seen its 1981 first-half earnings fall to C$16.5m (£7.2m) from C$52.8m in the same period of 1980 as a result of higher costs, lost production caused by strikes and lower metal prices. Furthermore, normal seasonal fluctuations in nickel sales do not bode well for the current quarter.

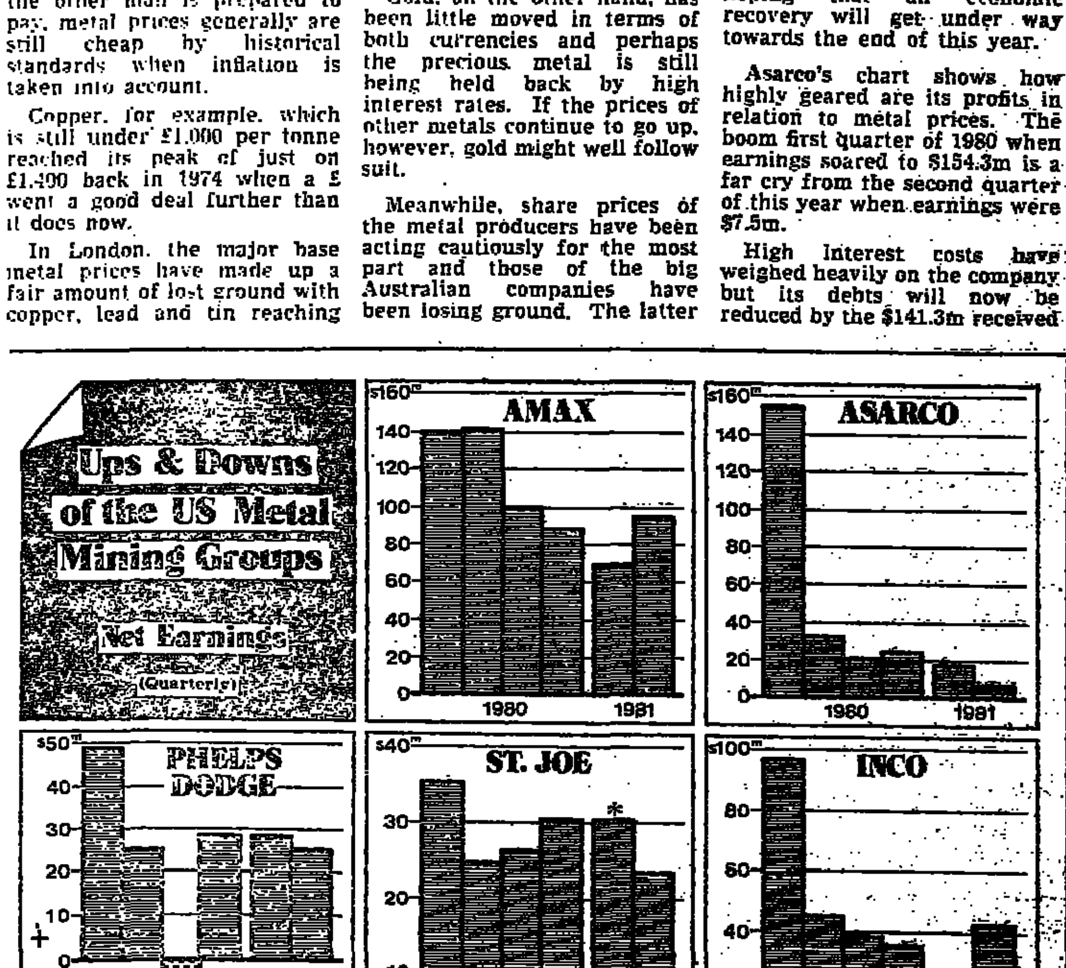
Coming nearer to home, shares of Britain's **Rio Tinto-Zinc** have been a good market. They have responded to the rise in metal prices, notably copper, the view that the weakness in sterling enhances the value of the group's overseas earnings, and inevitably, vague take-over hopes.

But RTZ is having its share of problems. The giant **Hamersley** iron ore operation in Western Australia has been losing money because of lower sales and the industrial unrest which is a way of life there.

The **Comalco** Australian aluminium interest has forecast halved profits for this year and half-year earnings of the Canadian **Rio Algom** have fallen in line with weakness in markets for molybdenum and copper.

There are, of course, other factors to be taken into account but RTZ like the rest of the natural resources industry is still living in lean times and this should not be forgotten.

In the longer term things will almost certainly come right. In the near term as I said a fortnight ago, we must not be too carried away by the rise in metal prices just in case they are moving up more in hope than anger.



YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at index-linking

We're all grannies now

ONLY FOUR months after reducing the age limit on index linked savings certificates (Granny bonds) from 60 to 50, the Government announced this week that inflation proofing will shortly be extended to everybody. From September 7, Mr Nigel Lawson, Financial Secretary to the Treasury, told Parliament on Thursday, every man, woman and child will effectively be able to protect the purchasing power of up to £3,000 of savings.

The Second Index Linked issue, in fact, does provide a modest real return if you hold on long enough. If kept for 12 months, the certificates are revalued monthly in line with the Retail Prices Index (RPI) but if untouched for a full five years a 4 per cent bonus (on the original investment) is added to the total. Hereafter index linking applies to the bonus as well. The certificates, which are completely free of capital gains and income tax, are available in £10 units from all post offices and most Trustee Savings Bank branches in the UK.

"Granny bonds" were first introduced in June 1975 but in those days they were restricted to real grannies—women over 60 and men over 65. The age limit was reduced to 60 for all last November and then to 50 at the beginning of the financial year (April 6).

This week's announcement is perhaps the most dramatic step so far in the Government's bid to increase its "take" from the personal sector. At the time of the Budget Sir Geoffrey Howe, the Chancellor of the Exchequer, set an overall target of £3bn from National Savings in the financial year 1981-82. Conscious of the extra funds which will be raised by selling index linked certificates to the under 50s, this target has now been raised to £3.5bn.

This may seem a conservative estimate because during the first three months of 1981-82 National Savings has already pulled in £1.3bn including accrued interest. Much of this was accounted for by the popular 19th issue which was withdrawn in May. This returned 10.33 per cent free of all taxes if held for five years.

The Government's decision to come back to individual savers for more has been prompted by the seemingly sated appetites of the big institutions for government securities. This partly explains the recent slide in the gilt edged market and the appearance of gross redemption yields on medium- and long-dated stocks in excess of 15 per cent.

By resorting to index linking for personal savers as well as through index linked gilts the Government also hopes that the eventual cost of its borrowing will be cheaper.

The Government's latest move is significant not just for the Public Sector Borrowing Requirement (PSBR). Index linking for all is perhaps the greatest challenge yet to the building societies, some of which are already finding it difficult to attract all the funds they need to satisfy mortgage demand at least at present rates. The general view seems to be though that while there is likely to be an immediate impact on their inflow of funds, the effect could be relatively short lived. An estimated two thirds of building society savings are held by the over 50s and they have been able to buy the index linked certificates for some months. Widening the net to take in everyone regardless of age, however, will do nothing to help the mortgage rate come down.

The question whether the 2nd Index Linked issue is a good buy depends, of course, entirely on the outlook for inflation. On this subject there are just about as many different views as reactions to the wedding dress of the Princess of Wales.

The forecasts of a representative number of leading economic research bodies published in the Financial Times this week suggested that inflation could be in single figures on a 12 month basis by the end of this year. City analysts, however, are more pessimistic and the average of the forecasts of five leading stockbrokers point to an RPI increase of 11.4 per cent at the end of this year and 11.3 per cent by the end of 1982.

The accompanying tables should provide some sort of guide. Historical comparisons should always be treated with caution but the top table shows how index-linked certificates (ignoring the 4 per cent bonus) would have performed against other types of investment over periods between 1962 and 1980. The initial period begins in 1962 with the birth of the Financial Times Actuaries All Share Index which has been used to measure equities.

It is important to note that these returns include *gross* income reinvested and therefore overstate the case for many investors. Figures based on the reinvestment of net income—after tax at 32 per cent —were only available for 1975-80).

The other table shows the present position in the savings market with the sort of offers available from the main institutions. Smaller building societies should be more attractive if you wish to shop around for a little more icing on the cake while the banks have a similar proliferation of different schemes.

The rates in the top half are likely to move if interest rates generally shift significantly; those at the bottom are guaranteed over the period shown.

● While granny bonds offer only a minute real return, the index linked gilts currently offer a real return of more than 2.5 per cent. The self employed and others in non-pensionable employment qualify for a new indexed pension bond which invests in these stocks launched by National Provident Institution.

This offers eligible investors a real rate of return ranging from 1 per cent over 10 years to 1½ per cent over 25 years. The only drawback is that on retirement only a quarter can be taken in cash, the rest has to be used to buy a pension (at present *not* index linked).

HOW A PEOPLE'S BOND MIGHT HAVE FARED

Value at the end of £1,000 invested at the beginning of each period (December to December)

	Equities*	Gilts*	Property‡	Building soc ord share acc†	RPI (People's bond)
	£	£	£	£	£
1962-65	1,250	1,030	1,302	1,114	1,100
1965-70	1,630	1,049	1,333	1,250	1,250
1970-75	1,470	1,110	2,360	1,360	1,850
1975-80	2,490 (2,280)†	2,100 (1,790)†	2,010	1,480	1,970

*Gross income reinvested
†Net income reinvested
‡Average house price
Sources: Wood, MacKenzie and Abbey National Building Society

ALTERNATIVES TO INDEXING

	NIL	30	45	75
VARIABLE RATES After The Tax You Pay (%)				
BUILDING SOCIETIES				
Ordinary Shares	8.5	8.5	6.48	3.04
Two Years	9.25	9.25	7.27	3.3
Three Years	10.0	10.0	7.86	3.57
Four Years	10.0	10.0	7.86	3.57
Five Years	10.5	10.5	8.25	3.75
BANKS				
7-Day Deposits	9.0	6.3	4.95	2.25
NATIONAL SAVINGS				
Investment Account	13.0	9.1	7.15	3.25
FIXED RATES				
BANKS				
3 Months*	13.25	9.28	7.29	3.31
6 Months*	13.25	9.28	7.29	3.31
*Min £5,000 (Barclays)				
GILTS				
Exchequer 12% Conv 1985	14.79	10.42	8.28	4.05
Treasury 3% 1986	11.65	10.48	9.79	8.56
LOCAL AUTHORITIES				
Yearling Bond	14.25	[illegible]	7.84	3.56
1 Year	[illegible]	[illegible]	7.01	3.19
2 Years	[illegible]	[illegible]	7.43	3.38
3 Years	13.63	9.54	7.50	3.41
4 Years	13.88	9.72	7.63	3.47
5 Years	14.0	9.80	7.70	3.50
NATIONAL SAVINGS				
21st Issue	9.82	9.82	9.82	9.82

A salutary tale

SUCCESSIVE CITY scandals over the past few months may understandably have unnerved some small investors. But while the Department of Trade tries to slam the stable door with proposals for new legislation—this, incidentally, will not happen overnight — savers should remember that there is much they can do to protect themselves.

Clearly there is little that anybody can do to stop a determined fraudster. But things can go wrong for all sorts of reasons besides dishonesty and, contrary to what many individuals think, the price of a well-managed portfolio is eternal vigilance.

This certainly is the lesson to be drawn from the experiences of a reader who in March 1978 took her portfolio to a well respected firm of investment managers. The portfolio was in many ways typical of someone who had inherited a hodge podge of individual shares and included a significant proportion in one company in which members of her family were closely involved.

What happened subsequently is, one hopes, far from typical either at that firm or elsewhere but it reveals dangers against which all investors should be on their guard. Because of a combination of misunderstandings, incompetence perhaps and (to be fair) bad luck a portfolio initially worth around £40,000 fell in value to just over £32,000 two years later. Our reader's complaints fall into four main categories.

● Performance. The loss in value of the portfolio (excluding fees and capital gains tax) was about 25 per cent, a result which the reader feels "represents a clear lack of competence and professional diligence." It has been agreed by both parties that the root cause of the problem was the sale of all the shares in the family company, a decision taken for prudent reasons ("to diversify risk") but one which in retrospect proved to be a mistake. These shares if held would subsequently have shown a substantial gain. In their place the investment manager, who says he was trying to provide a reasonable income for his client, bought a number of rather unspectacular high-yielding unit trusts.

There is, of course, no way that anyone can legislate against poor stock/unit trust selection and this part of the story at least illustrates that the price of these can go down as well as up.

Much of the recrimination, however, centres on the sale of the family company. It is clearly common opinion that although a portfolio may appear to be "unbalanced," if that holding is in a company in which the family holds a significant interest it should remain untouched," says our reader.

Her investment manager obviously did not agree. He claims to have been given total discretion. She says she was to have been consulted at all times. The lesson is that investors should be quite clear what is involved when they sign an investment management agreement. Moreover, if they have a sentimental attachment to particular shares this should be put firmly in writing, or better still, they should be kept separately.

● Fees These amounted to £410 over two years but our reader discovered only lately and very much to her surprise that the investment managers also gained commission from unit trust companies for putting her money into their funds. She regards this "as invalidating their claim to be impartial" and wonders how by effectively subcontracting the management they could take a further fee for themselves.

The signed management agreement did contain a note to the effect that the managers keep commission from unit trusts. But they do admit in hindsight that it would have been sensible to make this clear orally.

Many investment managers use unit trusts—unless specifically told not to—for "smaller" portfolios. Some of them, conscious of our reader's criticism, offset the commission earned against any direct fee which they charge. Investors should always check the position.

● Capital gains tax. By selling the entire family company holding in one go the investment manager left his client with a capital gains tax bill of around £2,500. This admittedly was during a financial year when the tax free capital gains limit was lower than it is now. It is surprising though that the disposal could not have been straddled over say two years. The investment manager claims he did not ignore the CGT position, somewhat weakly commenting that investment considerations ("we were bearish about the 'family' holding) outweighed the tax position.

● Reporting. Our reader was understandably anxious to conduct a "post mortem" but it is clear from the correspondence that the investment managers were all too aware of the cause of the poor performance and saw little purpose in discussing it.

Tim Dickson

Pension problems . . . a new series by **Eric Short**

The widower's mite

THE PUBLICATION of the Occupational Pension Board's report on the transfer of pension rights on changing jobs and the subsequent discussion has highlighted the inferior benefits given to early leavers by company pension schemes. The heat generated by this subject has however, tended to make commentators overlook other aspects of company pension schemes which could be improved.

Mr Michael Pilch, a leading pensions consultant and vice-president of the National Association of Pension Funds, recently listed six other areas where benefits could be improved.

We have discussed early leavers already on these pages. Over the next few weeks we will be considering the other areas and assessing which are in most urgent need of reform.

One of the most important developments in the past decade in company schemes has been the provision of pensions to members' and pensioners' widows. It is usual to find that when a pensioner dies, his widow gets a pension of one-half the retirement pension. If a scheme member dies while still working, it is now usual for a company pension scheme to pay a pension to the widow based on the employee's prospective service, as well as a tax free cash sum, based on salary at the time of death.

A recent survey by the Government Actuary, however, shows that women scheme members and female pensioners do not get similar pension benefits. Most schemes, but not all, pay the same cash sum on death in service to both male and female employees. But only about one-third of company schemes paid a pension to the widower should a female employee die in service.

Once the female employee retires, it is extremely rare to pay a pension to the widower when she dies.

The OPB in an earlier report some six years ago recommended the ending of sex discrimination within company pension schemes — pensions were exempt from the 1975 Sex Discrimination Act. It put forward the principle that there should be equality of benefits between male and female scheme members.

Neither the previous Labour Government nor the present Tory one has seen fit to implement the OPB recommendation. And the Equal Opportunities Commission has been comparatively quiet on this subject, though very vocal on equalising retirement ages.

Company schemes are likely to introduce widowers' pensions as soon as employers accept that pensions are deferred pay and not income replacement. The idea that men are the main breadwinners and are not financially dependent on their wives is taking a long time to disappear.

This is even more so under the State scheme. Widows pensions are paid in full if women are widowed from age 50, and on a reduced sliding scale if widowed between 40 and 50, as an automatic right irrespective of the earnings of the widow. At 60 this widow's pension is usually converted to a retirement pension. But there is no corresponding widower's pension to a man under 65 should his wife die.

If a man becomes a widower after his wife had started to draw a retirement pension in her own right, the man can take over the earnings-related part of her pension up to certain limits. But the underlying philosophy of the State scheme is that it is income replacement and a man does not need to have his wife's income replaced on her death.

There is another aspect of widowers pension. When a wife dies, the husband with young children can incur considerable expense hiring services to look after those children. There is a case for providing widowers' pensions to male employees should their wives die. But the Inland Revenue does not accept this as a legitimate scheme benefit.

PROPERTY

Beauties of the Myrtle Isle

BY JUNE FIELD

"Its beauties are so celebrated as to attract travellers of taste from every quarter; its situation and climate so salubrious as to allure the invalid and votary of Hygeia"
William Cooke
A New Picture of the Isle of Wight, 1812.

IN KEEPING with the tradition followed by the Queen, Princess Margaret and Princess Anne, the bouquet of this week's Royal bride included a sprig of myrtle from the bush growing at Osborne House, which was originally planted from myrtle used in Queen Victoria's bouquet. (The bouquet was a gift from the Worshipful Company of Gardeners who have an ancient right to provide flowers for the Royal weddings.)

This is the sort of romantic touch associated with quite a few places on the diamond-shaped Isle of Wight in Southern England, where Cowes week, incorporating the Admiral's Cup Series, starts today, and more visitors are expected to pour in from the mainland by ferry boat, hovercraft, and hydrofoil.

For instance, near Sandown, at Alverstone, deriving its name from the early Saxon *Aelfred's* Farm, they tell about a Mr Mackett, a retired missionary, who some 40 years ago lived at The Grange. No baby in the village ever felt the cold—Mr Mackett knitted a shawl for each new arrival.

Cowes gets its name from a sandbank called The Cow, and yachting starting around 1700 when wagers were made on the contests between fishing or smuggling craft and pilot cutters. In June, 1815, a group of "enthusiastic gentlemen" met at The Thatched House Tavern in London's St James's Street, and formed The Yacht Club. The Prince Regent joined in 1817 and the club became Royal when he succeeded to the throne three years later, eventually becoming known as The Royal Yacht Squadron. And it was the legendary Rosa Lewis who ran London's Cavendish Hotel in the 1920s who bought Castle Rock, a small house next to the RYS, much to the club's annoyance because they had wanted it for the convenience (literally) of their women guests.

The island, said to be formed by the sinking of the ancient River Solent and the action of the tide, was first called Wiht (weight) that rises over the sea. When the Romans arrived in 43 AD they translated it into Vectis from the latin vehe, meaning lifting. It was independent of England until 1293, when the dying Lady of Wight, Isabella de Fortibus, was tricked into selling the island to Edward I for 6,000 marks. The full history of the island is given in the Holiday Guide 1981, with where to stay details.

Although most agents agree that the market around the island has slowly improved throughout the year, and that there is some demand for keenly priced quality property, in general things are fairly quiet. A major sale last year was that of Sir Robert Hobart's Gatcombe Park, south of Newport, sold by Strutt and Parker of Salisbury, Wiltshire, on an asking figure more than £200,000.

"The demand for retirement houses is still well below the levels of a few years ago, and there is little evidence of any trading-up," says Mr David Bull, *partner in Sir Francis Pittis* and Son at Newport. "Mortgages are readily available, but purchasers are careful about increasing their liability, and most of the sales which have taken place are to local persons or those taking up employment on the island."

In Cowes things have been particularly slow, says Mr Bull, mainly because the industrial climate is not good, with an imminent closure of Elliott Turbomachinery, employers of 550, and redundancies from Plessey Radar and some short-time working from other small *industrial firms*.

"The other factor is the reduction in demand from yachtsmen, both from England and the Continent, for second homes at Cowes, due to the general recession, the high cost of yachts and the maintenance of them, and the fact of, for the British anyway, not being able to off-set mortgage interest for second homes.

"At the top end of the market, the demand has recently improved, but we do not consider this is likely to be sustained. Naturally in the centre of Cowes, the demand for properties is always greater due to the proximity of the yacht clubs with small modernised cottages fetching in the region of £22,000, with Myrtle Cottage, Union Road, Cowes, currently available, modern town houses just off the High Street at £25,000, and larger period town houses in the price range of £40,000-£60,000 for sale."

The three-bedroom South Lodge for sale in the region of £40,000 is at the entrance to Barton Manor, originally part of the Royal Estates and in sight of Osborne House, Queen Victoria's former Isle of Wight home. The arms of Her Majesty and Prince Albert are on the front of the house. Details Keith Rogers, Creasey & Jeffrey, 139 High Street, Newport, I. of W. (0983 525241), and David Bull; Sir Francis Pittis & Son, 28 St. James' Street, Newport I. of W. (0983 52381).

But as is maintained by Mr Keith Rogers, residential property manager at Creasey and Jeffrey, 139, High Street, Newport, whose office is open all day Saturday, what all this adds up to is that there are many quality properties, some with land, that can be bought in the £60,000 to £80,000 range, as well as good-sized bungalows from £30,000.

Looking at some of the properties in their monthly *property guide, sent free to* applicants, I found such interesting possibilities as a house created from the Mill at Alverstone £65,000, an imposing renovated listed Grade II house, £45,000 at Wootton, a thatched cottage in Freshwater reduced from £45,000 to £38,000, and a Beach Cottage, whose gardens adjoin the sea wall at Niton, offers in the region of £37,500. Also on offer is a three-bedroom apartment at Tudor House, Cowes, adjacent to the Island Sailing Club, £21,500, and a modernised terrace house in Stanley Road £15,000.

Mr. P. Dods, Watson Bull and Porter partner at their Seaview office also made the point that now is the time to take advantage of the substantial selection of properties available, all over the island. "Sales are reasonably brisk in the lower-priced *properties up to £25,000, and* again in the over £45,000-bracket. Modern estate houses in the £25,000 to £45,000 range are, however, proving slow-moving."

Another new development under way is of nine terraced four-bedroom houses on the Cliff Road at Cowes, designed to take full advantage of the views over the Solent towards Southampton Water. Prices are from £28,500 to £35,000. The Cowes partner of Watson Bull and Porter, 126, High Street, Cowes (0983 292141), will send a brochure with specifications and will also show interested applicants, by appointment, over the house he lives in, which is part of the terrace already built.

For those wanting a place to do up, there is the five-bedroom Tower House, Zig Zag Road, Ventnor, at offers over £27,500, which requires considerable repair and renovation (Creasey and Jeffrey), and the two-bedroom Glebe Garth, Newport Road, Chale, originally part of the Old Rectory, which incorporates the old school room in the roof, and needs some improvement to the kitchen, £30,000 (Watson Bull and Porter, 9, Church Street, Ventnor). And an old stone barn in three-and-a-half acres at Atherfield, is also for sale on offers over £10,000 through Creasey and Jeffrey.

On the island there is an extraordinary amount going with 16 yacht clubs, eight sailing centres or schools, and seven golf clubs, all of which are open to visitors most of the time, except when competitions and matches are being held. At Ryde you must be a member of another club and have an official handicap. Other leisure amenities range from archery to bowls, bridge, beagling, chess and golf-croquet, to go-karting, hang gliding, squash, skating, water ski-ing and wind surfing as well as Latin-American dancing.

For a copy of the official guide with a map, send 50p to Mrs Molly Leigh, office manager, Isle of Wight Tourist Board, 21 High Street, Newport, I. of W., who will also include a list of estate agents if you specify it. There are some 17 major agents, with branch offices bringing them up to near 50. The board also sells the Isle of Wight Community Services Council booklet for the use of the disabled. 50p plus 19p postage. Information sheets on the island's register of general clubs and societies, fishing and sailing facilities are free, but some postage is appreciated.

Slow down for good news

INSURANCE

ERIC SHORT

TODAY IS significant for the million or so motorists insured with General Accident, Britain's largest motor insurer. For August 1 is the day on which the group normally increases its premium rate.

But the company has announced that the present rates, last increased on August 1 1980 are to be held unchanged for the time being. Indications are that GA will not put up its rates until early next year.

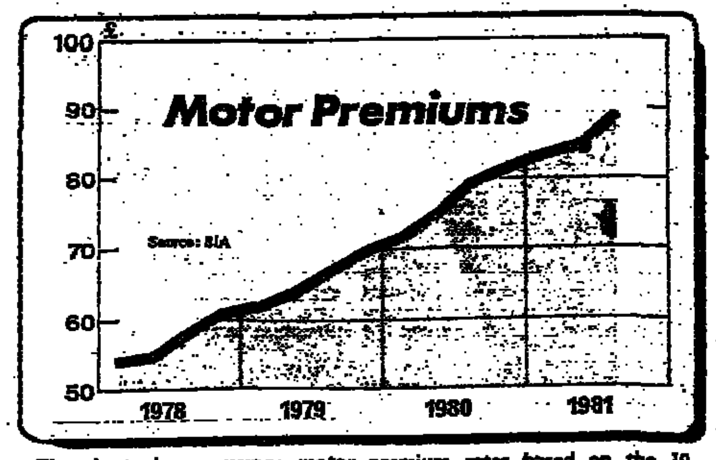
This is good news for GA policyholders due to renew their motor insurance policies before the end of the year. For the past decade or so, they have become accustomed to paying premiums that have been increased at least once, and often twice, since the previous renewal. Now these policyholders will be paying the same premium as last time, even though the inflation rate is still in double figures. For these motorists it will be a welcome easing of motoring cost pressures.

But GA is not the only motor insurer trying to hold insurace rates steady for more than 12 months. Sun Alliance held them for 15 months before increasing them on July 1 by an average of 7½ per cent. Since the company also reviewed its rating structure, some motorists with Sun Alliance could be paying less next time.

Now Royal Insurance has adopted a similar attitude. It has revised its rates every year on October 1; but this week it told its agents that rates were being held beyond October 1 for 1981. It wants to see the results of its motor account for this year before deciding on the next increase, so rates could be *held unchanged until well into* 1982.

The graph shows how motor premiums have risen over the past three or four years. But the increase should slow down over the next six months. What has brought about this windfall to motorists?

The companies concerned say that premiums are being held because the number of claims has fallen significantly from the high levels of the winter of 1979. Since then, winters have been mild while recent petrol sales figures indicate that people have cut down on their driving. And the cost of paying claims is not rising so fast as in previous years. Instead of outpacing the Retail Price Index, the rate of increase is roughly the same.



The chart shows average motor premium rates based on the 10 largest motor insurance companies for a driver aged 35—open driving living in Surrey (outside GLC area) and driving a 1,300cc Ford Cortina—no excess, full NCD

But the biggest factor is the intense competition between insurance companies to expand or hold their share of the UK insurance market. They have kept rates unchanged, when they should have increased them, and are accepting the consequential underwriting loss rather than put up rates and lose business. The next few weeks when companies present their half-yearly results should show the initial effects of the latest bout of competition.

The lesson for motorists is to shop around for their motor insurance. The price of remaining loyal to one company could be a high premium compared with other insurers' charges. A company's rates become more competitive the longer it holds its rates unchanged and can be among the most competitive just before a rate increase, as other company rates leap-frog over its rate.

The table of the best rates for *the average motorists* as defined by the British Insurance Association shows the variation in price among even the best companies. The bottom rate, not shown in the table, was double the top rate.

But if the motorist wants to find the cheapest insurance he has a daunting task checking out the 50 insurance companies and Lloyd's syndicates. This chore is done for him by an insurance broker, especially one using a rate service such as that provided by Quotel.

The company regularly monitors the motor premium rates of the companies and syndicates. It can up-date its computer files within 24 hours of a notification. So if a broker wants to know the premiums rates today or on a date some time in the future, he keys into the Quotel service and gets a computer listing of rates for a particular car.

It is difficult to see how anyone but a major broker could monitor the market closely, so for motorists seeking the best rate, it may pay to seek the services of a broker using the Quotel service. It will not cost motorists a penny extra. But they must remember that the best is not usually the cheapest. The insurer's claims record, and the special features offered are also important in picking an insurance policy and the broker should take this into account in recommending an insurer.

Motorists can find their nearest Quotel broker by writing to Quotel Freepost, London EC1B 1SN.

MOTOR INSURANCE PREMIUM RATES

...Driver aged 35, living in Surrey (outside GLC area), new Ford Cortina 1,300cc. Open driving, no excess, full NCD.

Net cost of comprehensive cover —best rates

Company	Premium £
Bradford Pennine	73.00
Zurich	73.50
Lion Insurance	75.36
Sentry	77.00
United Standard —Economy Plan	79.00
GRE	79.50
Sphere	80.00
R.B.-RAC	80.20
Phoenix/Century	80.80
Malvern	81.45

Source: Quotel.

Cars clarified

TAXATION

DAVID WAINMAN

AT LAST we know what a car is. The Finance Act 1981 received Royal Assent yesterday and a careful reading of Sections 68 and 69 provides the answer to the question which has since 1976 bedevilled the relationships between those driving company cars and the companies providing them, and also between both of those groups and the Inland Revenue.

A small qualification is necessary to what would otherwise be too broad a generalisation. The 1976 benefits in kind legislation applies only to directors and those earning £8,500 or more per annum (that figure has been in place since April 1979, and is inclusive of the benefits which are made part of the employee's remuneration under the 1976 provisions).

Thus this year's amendments are relevant only to directors and the higher paid—their two level effect being not only to fix the tax liabilities of the individuals concerned, but also to clarify whether including benefits with his remuneration brings a particular individual into the group, or whether he remains below the £8,500 threshold figure.

What the 1976 legislation sought to achieve was a tax charge wherever an employer made a car "available" to an employee in such a way that the employee could use it for private purposes. The amount of the charge was to be calculated by counting into the employee's income a "scale rate" amount, different figures being specified in the legislation for what might be described as small cars, medium cars and expensive ones.

It was to be irrelevant how much or how little private use was made of the vehicle: the Revenue were totally deaf to those industrialists who forcibly said that a business car was an unwelcome necessity, out of which they were only too glad to get at weekends.

However, very high and very low business mileage result in a lower or higher tax charge. Up to April, 1981, the employee who covered 25,000 business miles in a year paid only half the scale rate, and after that date the mileage necessary has been reduced to 18,000 business miles per annum.

On the other hand availability of a car, if its business use was "insubstantial," was taxable up to April, 1981 as if the "scale figure" were one fifth of the car's original cost (or one tenth if the car were over four years old). "Insubstantial" at that time was defined at less than 10 per cent *of total mileage*.

Last year's Finance Act redefined "insubstantial" as less than 1,000 business miles, and altered the taxable figure to become 1½ times the scale rate applicable to the more heavily business-used car. These alterations were destined to come into effect only from April 1981 onwards, and before they could do so, the Chancellor announced in his March, 1981 budget that he was proposing a further re-definition of "insubstantial," effective from April, 1981, to a figure of 2,500 business miles.

The scale rates originally embodied in the 1976 Finance Act were increased by approximately 10 per cent in April, 1978, another 20 per cent or so from April, 1981 and new rates have just been announced to come into effect in April, 1982. All this dynamic flux left slightly unclear, however, just what was the "car" whose availability was to be taxed.

Was it simply and solely the ironmongery? Or was it that ironmongery covered with insurance and a road fund licence, and with repairs and maintenance also thrown in by the employer at his own expense? If the scale rates did not cover these additional factors, then it would follow that the employee would be taxable additionally, on an amount equal to his employer's expenditure in providing him with what would then have to be regarded as further "benefits and facilities."

It became clear fairly quickly after the 1976 provisions were enacted that the Revenue were not seeking to assess anything beyond the scale — that they regarded the licence, insurance and repairs as included in their scale rates. It is however only in this year's Finance Act that this point is written into the legislation.

However, the much more significant question unanswered in 1976 related to petrol. If the scale rates covered ironmongery, licence, insurance and repairs, did they also include an ever-full petrol tank, similarly at the employer's expense? Here the Revenue made it reasonably clear that that had certainly not been their intention when the original provisions were drafted.

They thought that petrol, if the employer bore the cost and the employee used it for private purposes, should be taxable as a benefit—in addition to the scale rates. If the employee paid for the petrol and claimed reimbursement from his employer (or if he sent his unpaid bills to the employer for settlement), that did not seem to be outside the general "benefits in kind" legislation.

But it was considerably less clear whether the Revenue had the power to tax as a benefit petrol which the employer himself put into the car.

LEISURE

Journeys of a lifetime

TRAVEL
PAUL MARTIN

AFTER A period when prices in Norway tended to discourage all but the more affluent who had discovered the country many years before, the strength of sterling has brought about a welcome increase in the number of British visitors.

While other European countries list the works of man among their major tourist attractions—I am thinking of the cathedral at Chartres, the art galleries of Bruges and the faded yet still enchanting splendours of Vienna — the fjords of Norway provide an impressive introduction to a landscape virtually unchanged over the centuries.

The history of Norway is linked to the sea. Ships of all kinds still provide regular services to the ports and scattered villages in the north. The coastal steamers, travelling right to the Russian frontier, serve as both essential transport and, during the hours of continuous summer daylight, a "journey of a lifetime." They have their counterparts in the little fjord steamers which operate throughout the year.

If you prize your holiday independence and are a timetable buff, you could spend hours working out a personal route. Starting from Bergen, you could then explore the fjord country by steamer and by bus. Provided you allow yourself plenty of time and do not aim at covering the same sort of distances as in countries further south, driving presents few problems on relatively uncrowded roads.

Among Norway's countless fjords, those of Hardanger and Sogn as well as the Geiranger and the Nord Fjords are among the best known. Yet each has its own distinctive character and profile.

The Hardangerfjord, just south of Bergen and the easiest to reach, is an essentially gentle place with few harsh contours and, in early summer, the delicacy of the blossom on the fruit trees along the shores. The green and fertile pasture land blends harmoniously with the surrounding hills and the distant mountains.

Even if you have some reservations about being a good sailor, you are unlikely to feel discomfort if you embark on one of the fjord steamers in Bergen for a short journey north. There are few stretches of open sea as the flotilla of craft zig-zags its way to the towns and small villages where the unloading and loading did not wake me during the night.

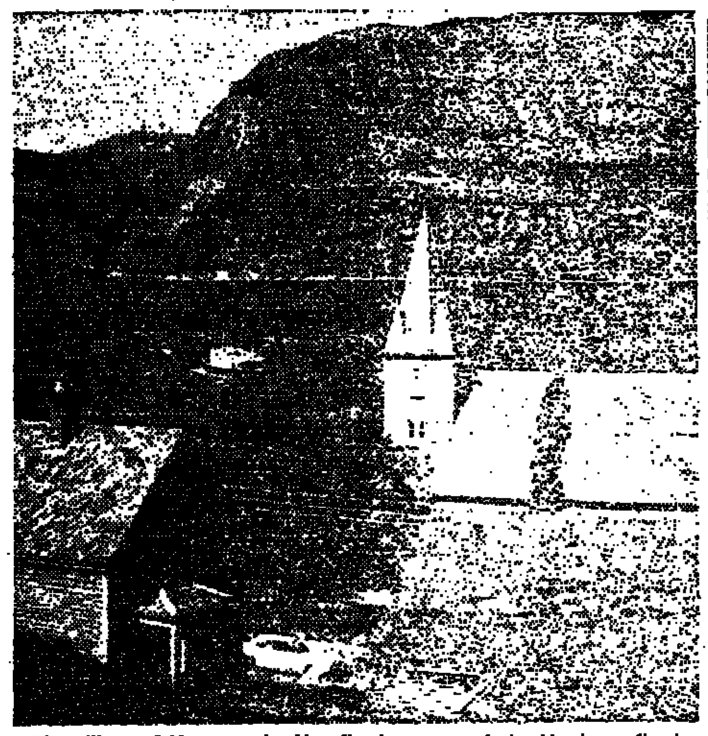
The fjord steamers are not luxurious nor are they licensed to sell anything except very light beer but the meals served on board include substantial breakfasts and, for dinner, a simple variation on the traditional cold table for around £3.50. The cabins are perfectly adequate for the odd night.

I had set out on the 18-hour boat journey from Bergen to Sandane—only about an hour by road from the upper reaches of the Nordfjord and the two little resorts of Olden and Loen—both with excellent hotels at the water's edge.

Even after several visits I find it difficult to convey that strange sense of mystery which characterises the still and silent reaches far inland at the head of the Nordfjord. There is certainly no denying the dramatic impact of the nearby Briksdal glacier.

You can either walk or jog your way behind a sturdy fjord pony as you make your way past the cascading waterfalls to where a vast finger of the glacier, a strange blueygreen colour quite unlike that of snow and ice, has forced its way through a deep cleft in the mountains before slowly dripping away to form the ice floes in the lake at the bottom. If you look up beyond the sheer mass of rock, you can follow the jagged and crenellated outlines of the great glacier as it extends far away in the distance.

Olden, with an opportunity to visit the Briksdal glacier, is one centre featured in an imaginative tour.



The village of Utne on the Utnefjord, an arm of the Hardangerfjord

The tour includes fjord steamer in Inghams' summer programme. The minimum cost for an 8-day air holiday from London is £274, rising, according to departure dates, to £297. The hotels used are all first class and full board is included except in Bergen.

The itinerary, which covers Bergen, the Nordfjord and the Sognefjord, provides an excellent introduction to Norway. The fjords are also a major feature in the Fred Olsen-Bergen Line summer programme and further information is obtainable from the addresses below.

I can think of few holidays which provide a greater sense of relaxation than idling on the deck of a fjord steamer surrounded by the constantly unfolding and continually changing fjord panorama.

Further information:
Fred. Olsen-Bergen Line, 229 Regent Street, London W1R 8AP
Inghams Discovery Tours, 329 Putney Bridge Road, London SW15 2PL
Norwegian National Tourist Office, 20 Pall Mall, London SW1Y 5NE
Norwegian State Railways, Norway House, 21/24 Cockspur Street, London SW1

Alfa does it again

MOTORING
STUART MARSHALL

FOR SHEER driving enjoyment, the 10-year-old Alfasud still has few rivals in the small/medium family car class. It has to be said, however, that the curvy body shell is fighting a rearguard action against the passing years.

Compared with the sharper styled, but otherwise not dissimilar Opel Kadet, the Alfasud looks rather dated, but at least it has got in fashion with a hatchback. A few weeks ago Alfa Romeo announced that the two-door Ti models with 1.3 and 1.5 litre engines had been replaced by three-door hatchbacks while the four-door saloons and the pretty Sprint Veloce coupé continued unchanged.

Alfa Romeo had wanted to give the Sud a tailgate opening on to a completely flat rear floor, rather like the Saab 99 Combi, but it would have meant so much extra weight in order to retain body rigidity they had to settle for a high sill. Cases have to be lifted — and dogs have to leap—over it, but the luggage space is much easier to load than it was before.

There is no exterior lock on the tailgate. The only way for the driver to open it is to lean right over the passenger seat and pull a handle in the door sill, which is not the handiest arrangement. But, if Alfa could not convert the tailgate opening to right hand drive, at least they have made the wipers clean the windscreen properly, right up to the offside pillar.

Hatchback apart, the Alfasud 1.3 Ti I drove last month had some more practical additions. The bumpers—the front one incorporating an air dam—are made from knock-resistant plastic and a similar material protects the wheel arches from scrapes. Strangely, there was nothing to save the edges of the wide and rather heavy doors from careless opening in a garage or car park. On the tailgate there is a nice looking, rubbery aerodynamic spoiler. Its purpose is to save a little fuel by making the car "slipperier." This I must take on trust—but the spoiler was ideal for standing drinks on at a race meeting.

The driving position is fairly businesslike, with a rev counter and speedometer in full view; oil pressure and water temperature gauges half hidden somewhere down by your left foot; the shift for the five-speed gearbox is where your hand falls naturally upon it; and there are a couple of long armed switches for lights, wipers, indicators and horn. Peculiarly, the right hand one also works the heater fan. The pedals are offset toward the centre of the car, but one soon gets used to it. The seatbelt anchorage seemed further back and higher than usual. It suited me well enough (I am over 6 ft) but the belt rubbed my wife's neck when she drove.

But when you drive the Alfasud, any minor irritations are forgotten. It is a joyous car. The horizontally-opposed four-cylinder engine is turbine smooth and growls up to 6,000 rpm cheerfully, at which the tachometer needle is well into the red sector. Treating the cautionary yellow sector at 5,500 rpm as a sensible rev. limit, the Sud runs up to 40 mph in second, 60 mph in third and 80 mph in fourth. At 70 mph on the motorway, the engine is turning over at 4,000 rpm, from which it will be seen that the five-speed box has sportingly close ratios and the car is geared for performance, not economy. My 28 mpg reflected quite a lot of hard driving. A light footed driver (who is unlikely to buy the Ti version anyway) might expect to get up to 35 mpg because the official constant speed figures are 44.1 mpg at 56 mph, 32.1 mpg at 75 mph.

The Alfasud excels in its handling. The rack and pinion steering feels fairly high geared. At low speeds or when parking, the steering is not finger light, but the 70 series tyres won't be moved during the hardest cornering. The Sud is a supremely well balanced car, with a disciplined agility that encourages liberty-taking because you know it will always look after you. Many a car maker's claims won't stand up to close examination. But when Alfa Romeo say that the Sud has established itself as a standard against which other small, sporting saloons are measured, they speak only the truth.

The seats are big, cloth-trimmed and comfortable, with headrests built-in. Rear seat leg and headroom are good, always providing the front seats are not shoved back to the limit of their adjustment.

Some of the earlier Alfasuds were disgracefully lacking in corrosion resistance. In common with other Italian manufacturers, Alfa Romeo have gone to a great deal of trouble to ensure that they no longer offend. All parts of the Alfasud that are particularly vulnerable to rust attack are now made from Zincrometal, a sheet steel protected by zinc, chrome and resin. The entire underbody is covered with bitumastic material and all hollow sections treated with wax or filled with polyurethane foam. The lower exterior panels—the ones that can suffer from gravel rash—are sprayed with PVC and more PVC protects vulnerable interior points. Thus protected Alfasuds are said to have emerged from tests simulating five years of service in Northern Europe with excellent results.

The 1.3 Ti I drove costs £5,057; the larger-engined 1.5 Ti is £5,325. Compared with the Ford Escort XR3 (£5,692) and £5,700 for the VW Gold GTI, this looks fair value.

AS ANY OIL COMPANY will confirm, brand loyalty among petrol buyers is a thing of the past. Now, it is the price that counts. Motorists keep delaying petrol purchase until they find a station selling at an attractively low price.

The former two-door Alfasud Ti 1.3 and 1.5 have become three-door hatchbacks

Choosing some trees for shade

GARDENING
ARTHUR HELLYER

"WHAT CAN I grow in shade?" people ask and one immediately has to counter with a request for more information about the kind of shade they have in mind and the way in which it is brought about. Is it shade cast by fences, walls or buildings or shade beneath trees and shrubs? Is it complete shade throughout the day, intermittent shade or dappled shade and is it associated with damp or dry soil?

For all these things make a difference to what can be grown successfully and some of them are matters that can be changed if it seems desirable to do so.

Shade should never in itself be regarded as a gardening handicap though some of the things associated with it can be. It is the contrast of light and shade which produces the most beautiful pictorial effects whether one is thinking of a large-scale landscape or a tiny courtyard. If the garden is so small and enclosed that there is no possibility of obtaining such contrasts by the direct play of sunshine the illusion of them must be created by contrasting light and dark objects whether they be plants, ornaments or other furnishings.

So important is shade to good garden design that if it does not already exist it will have to be invented, and it is at this point that some of the more serious mistakes can be made. Trees chosen for shade may not be the most suitable to nurture smaller shade-loving plants shrubby or herbaceous, grown beneath them. Their branches may hang too close to the ground, their canopy of leaves may be too dense or their roots may be too hungry for the comfort of any such companions.

Allen Paterson's new book "Plants for Shade" (Dent, £7.95), is unusual in offering a great deal of highly practical advice on these matters. The ideal shade trees for British gardens (it could be very different in hotter, sunnier climates) should come into leaf fairly late in spring and drop their leaves early in winter for then the natural woodlanders, plants that have adapted themselves to make most of their growth in winter or spring, will have ample opportunity to do so. For the same reason they will not be evergreen trees and their branches will be carried fairly high so that light can penetrate beneath them.

Mr Patterson lists other qualities even more easily overlooked. The habit of shade trees should be open and their leaves rather small so that sufficient light filters between them and this is particularly important for those woodland plants that in nature tend to grow at the edge of woodlands. The trees should be deep rather than surface rooting so that they do not compete too directly with shrubs and herbaceous plants for scarce food and moisture and, perhaps most difficult of all to satisfy, they should not harbour pests and diseases which affect the plants growing beneath them.

Many of our most familiar native trees fail on one or more of these tests. Beeches are bad because their canopy is so dense that scarcely anything survives beneath it. Common lime drips honey dew produced by aphids on anything beneath and this sticky coating encourages the development of harmful and unslighty sooty mould. The falling leaves of planes and horse chestnuts are so large that they smother small herbaceous plants and so one might go on.

Not many garden owners are likely to plant any of these trees, unless perhaps it is the erect growing Dawyck beech and its new purple leaved variety neither of which form any canopy at all and so are not really useful at all as shade trees though they are admirable to give elevation to a garden design without any of the normal limitations imposed by lack of lateral space.

Mr Patterson's positive recommendations are numerous and interesting. He points out that the tall Mount Etna broom, a shrub of almost tree like proportions, has such slender leafless stems that it can be ideal near a wall where it will produce the visual effect of a tree without adding any extra shade of its own. Though he does not mention it this is a plant that will derive benefit from a wall since it is not well anchored by roots when it is young and is easily blown over.

Mr Patterson likes all the birches but most of all those that are my own favourites: Tristis a tall but fairly narrow variety of the common silver birch with a particularly elegant weeping habit, the Swedish birch, Dalecarlica, with cut leaves. Betula jacquemontii with the whitest of white bark and B'ermanii with white bark slightly flushed with pink.

Several of the smaller tree-like *magnolias* are recommended including Magnolia kobus which is sometimes slow starting to flower. *M. salicifolia* which is much more precocious but also far more difficult to find in nurseries and *M. loebneri* which Mr Patterson says is happy on chalk. What he does not mention is that the most beautiful form of this fine hybrid, *Leonard Messel*, is also the most readily available. It has soft pink flowers and I consider it one of the loveliest of all the smaller magnolias.

The crab apples and amelanchiers are excellent shade trees provided they are given a little branch thinning from time to time and all the mountain ashes are suitable without any pruning at all. Snake bark maples, so called because of the whitish veining of the young green bark are another recommendation. I am in entire agreement. These are fast growing yet not overlarge trees and are most attractive in shape, their branches often arching gracefully yet without coming too close to the ground.

Sweet gum (liquidambar) and tulip tree (liriodendron) are two other suggestions and Mr Patterson makes the good point that in the south eastern states of America these form, with other species, woodlands that have an exceptionally rich undergrowth. It includes veratrums, dentarias, violas, trilliums and the lovely creeping blood root, Sanguinaria canadensis which, in its double flowered form, I saw thriving recently beneath English oak trees in a Hampshire garden. Mr Patterson points out that in Britain we nearly always grow sweet gums and tulip trees as isolated specimens and scarcely ever as woodland trees.

Where there is really only room for one tree to produce the kind of shade that smaller plants will love he suggests *Koelreuteria paniculata*, the willow pattern or golden rain tree, the false acacia (robinia) and the honey locust (gleditsia). The two last have long been favourites especially in their yellow leaved varieties, Frisia and Sunburst, but as yet the koelreuteria is little known despite the fact that it has been growing in British gardens for more than 200 years. That, I fancy, is a situation that will soon change since this distinctive and beautiful tree is now being grown in quantity by at least one of the large wholesale nurseries which supply garden centres.

This well written and handsomely illustrated book ends with encyclopaedic descriptions of a great number of shade-loving plants conveniently divided into those that dislike lime and those that either do not mind it or positively enjoy it. No better guidance could be sought.

The hazards of salmon fishing

FISHING
JOHN CHERRINGTON

UNTIL THE middle of June our salmon fishing had been frustrated by the weather. The beat on the lower Wye had been consistently too high and too coloured and the salmon have been going up stream in hordes to populate the upper reaches. There by all accounts the rods and the poachers have had a bonanza they never expected. It is all most unfair.

By contrast, when I got to the West coast of Scotland there had been some weeks of drought, many of the rivers were short of water, and to some extent short of fish too. The water situation was remedied soon after my arrival and the river was fishable. But the fish, both salmon and sea trout, were very dour, showing little inclination to stay too long in the river, being determined to push upstream into the loch as soon as they had rested.

But there were fish, and through polaroid glasses they could be seen carefully avoiding the flies as they came their way. This was particularly interesting as I had always been told that salmon made a grab for a fly or other lure because of annoyance. I watched one of my friends fishing most carefully in one spot and a salmon did notice the fly, a practioner or shrimp fly, and came up about six feet from where it had been lying, swam carefully round the fly, and then sank to the depths again without seizing it.

Why the salmon were not in a taking mood I can only put down to the temperature which was more like February than June. This river holds a fair quantity of small trout and parr but although there was a good hatch of natural fly on several days these showed no tendency to go for them. I have often noticed that if the trout are not interested in natural feed, salmon are not taking either.

This underlines the hazards of salmon fishing. You may book a rod on the best river at the best time of year only to find when you get there that the river is low, the fish not present, or if they are not taking. I like the day a week basis best because on one or two occasions through a long season everything may turn out right on the day you are there.

I spent a long time watching a little shoal of salmon and sea trout lying on a gravel bank taking no notice of my flies. I started with the smallest I had going to the largest and when I was exhausted one or other of my companions took over.

Of course they said the night is the time for sea trout and on past experience it always is. This used to be a famous river for sea trout but is now a very pale reflection of its past glories. Twenty years ago I, too, used to go out at night and in the week we would usually gather 30 or so. But not for the last few years, when catches have been few and hard to get. In any case casting in daylight from 9 until 6 pm is enough for me. I let my younger colleagues spend the nights out and all they got was exhaustion. The sea trout no longer run in the great quantities they once did and certainly did not take to flies any better in the dark than in the daylight.

On the last afternoon I walked right down the river casting a large practioner into every likely pool. The theory behind these tactics being that the first had refused all the traditional flies, and might as well try something different. I did not see a fish move at all. And then in the last pool before the sea I was casting mechanically and looking at the scenery when I felt my fly being taken. It was a 4 lb sea trout covered with sea lice and obviously just in the river and had not yet learned the form. So I did not come away empty handed.

RACING
DOMINIC WIGAN

NOW THAT Goodwood has after many years come up with a "new look" schedule of racing for its five-day July meeting the final afternoon of "Glorious Goodwood" is well worth waiting for. Many might argue that today's closing programme which includes the Group 2 Nassau Stakes, the Rous Memorial Stakes and the Chesterfield Cup, ranks with that of the Wednesday, which contains the Sussex Stakes.

Despite the formidable claims of Vielle and Strigida in arguably the most competitive ever Nassau, which also sees Naseem, Go Leasing and Leap Lively in action, Silken Knot will carry my each-way support.

A good-looking chestnut filly by Noalto's sire, Nonoalco, this stable companion to Capstan has not scored since making a winning debut in Ascot's Virginia Water Stakes. However, that will not long be the case judged on her recent effort following a lengthy absence in the Child Stakes at the July course recently. Making her first appearance of the campaign there, Silken Way's daughter finished in fine style to pass the post less than six lengths adrift of Star Pastures.

That race over an inadequate trip will have brought Silken Knot on a good deal and only a disastrous intervention by the weather should prevent her from justifying an each-way bet.

Madam Gay, To-Agori-Mou and Fingal's Cave are among the four European horses in the top 14 rated from the second forfeit stage by an international committee of the senior Jockey Club handicappers to line up for the inaugural race for the Arlington Million.

The 14 "Arlington" hopefuls are in alphabetical order Argument (France), Ben Fab (Canada), Bold Tropic (U.S.), Caterman (U.S.), Fingal's Cave (England), John Henry (U.S.), Key to Content (U.S.), Kilijaro (U.S.), Madam Gay (England), Mountdrago (Argentina), Premio Nobel (Chile), Rossi Gold (U.S.), Temperance Hill (U.S.), and To-Agori-Mou (England).

GOODWOOD
2.00—Cuevas
2.35—Silken Knot***
3.05—Commodore Blake
3.35—Pleasant Dream
4.05—Auction Bridge
4.35—Marcello*

NEWMARKET
1.30—Cool Decision**
4.30—Lyphmas

WINDSOR
6.15—Wintergrace
8.35—King's Parade

BOOKS

Dame Edith

BY NICOLA BEAUMAN

Edith Sitwell: A Unicorn Among Lions
by Victoria Glendinning. Weidenfeld and Nicolson, £9.95. 383 pages

Renishaw Hall in Derbyshire was the setting for Edith Sitwell's childhood: it was in the heart of the coal-mining district and "the Sitwell children, on their walks, would meet the gangs of blackened miners going home. They lived in an enchanted castle in a world of planned grace and beauty, but beyond the gates lay that other world of stunted poverty and industrial ugliness" (writes Victoria Glendinning.)

Twenty miles south, in this other world, D. H. Lawrence was a two-year old in the year of Edith's birth, 1887. His writing was to draw its strength and vitality from his contact with Britain's industrial life: Edith's was to display her sense of alienation from it. When Staveley was lit up by flares from the foundries, Edith recoiled, retreating into her own fairy-tale world of facades, pageantry, ornament and glittering language.

She was aloof, implacable and isolated in her own ego: the idea would never have crossed her mind that Britain's heart pulsed outside the park walls of Renishaw rather than in the poetry magazines and sub-Tudor fantasies of the world she created for herself. To escape from her origins was her dream, not merely because of her exceedingly unhappy childhood ("I was unpopular with my parents from the moment of my birth" she wrote in old age) but because life in Derbyshire bore no reality for her.

In 1914 she came to live in London, in a flat in Moscow Road, and her career as a writer and personality took shape while she evolved the distinctive appearance and style for which she later became notorious. She was very tall and delighted in displaying herself in long skirts and exotic hats, painting her nails and cultivating a stark regal look.

Disliking intimacy, she modelled herself on the Virgin Queen and substituted the exotic and glittering for sexuality. Rosamund Lehmann compared her asexual body to a Henry Moore column and she herself wrote "I am as stylised as it is possible to be." Victoria Glendinning comments:

"The appearance she devised was a realisation of her dream-self; it was also the reverse of what her parents thought a nice 'gell' ought to look like. It was an act of defiance against her upbringing and an act of faith in herself."

She was, of course, joined in her defiant pose by her brothers Osbert and Sacheverell and their mutual onslaught on the philistines has been well documented in John Pearson's excellent book *Façades*. In this book we have a detailed account of Edith's personal rise and fall, both as a poet and as a personality; only a biography of her on her own could have traced the change from the eccentric "acrobat" of the 1920s to the *Grande Dame* of English letters of the 1950s.

Edith took pleasure not only in her own poetry but in encouraging young (male) talent. Often, however, her fierce championship of poets and artists exacerbated her tendency to carve the world up into friends and enemies. *Wheels*, a magazine which came out half a dozen times between 1916 and 1921, was viewed as a triumphant challenge to the establishment volumes of *Georgian Poetry*. When the critics reacted rather apathetically to the first public performance of *Façade* they were at once dismissed as persecutors.

Yet *Façade* marked a new departure for Edith. Her earlier writing was in the vein of English nonsense poetry, full of fantasy and artifice but ultimately limited. Huxley commented:

"Brilliantly accomplished and exquisite as the poetry of this talented writer often is, one is always conscious of its limitations. It is difficult to see how it can advance."

But it did advance, to the rhythmic vitality, originality and lyricism of lines like these:

So Daisy and Lily
Lazy and silly,
Walk by the shore of the wan
grassy sea,
Talking once more 'neath a
swan-bosomed tree.
Rose castles,
Tourelles,
Those bustles!
Mourelles
Of the shade in their train
follow . . .

Here, as always, Edith was true to her belief that poetry should be written "imprecisely and instinctively," casting a spell in the manner of Yeats and Walter de la Mare and of her protégé Dylan Thomas.

Women poets were castigated by her as generally being "blitherers," trying to say things at the expense of the all-important verbal texture.

"Women's poetry, with the exception of Sappho . . . and . . . "Goblin Market" [by Christina Rossetti] and a few deep and concentrated, but fearfully incompetent poems of Emily Dickinson, is *simply awful* — incompetent, floppy, whining, arch, trivial, self-pitying, — and any woman learning to write, if she is going to be any good at all, would . . . write in as hard and glittering a manner as possible, and with as strange images as possible—strange, but believed in. Anything to avoid that ghastly wallowing."

The extreme terms of this passage were typical of Edith who never felt mildly about anything and took up the cudgels with vigour when Leavis wrote that "the Sitwells belong to the history of publicity, rather than that of poetry." Her biography is a detailed catalogue of "who's in, who's out" with no half-way measures. But Edith was brave as well as determined, careless of making enemies and defiant in the fact of opposition. When she fell in love, which she did in her late thirties with the homosexual painter Pavel Tchelitchew, she fought hard until her ultimate defeat.

Her courage was put to test in the Second World War, triumphing at the famous poetry reading when she did not falter as a flying bomb buzzed immediately overhead. She was reading "Still Falls the Rain" which remains, often anthologised, as one of the best poems of the Second World War. (Edith was also one of the few poets to write a major poem about Hiroshima.)

Because so much of the ground has been previously tilled, there are no great surprises in this biography, particularly for those who have read Pearson's book. But Victoria Glendinning writes very readably, has done her research thoroughly and displays a wry affection for her unusual subject, one who like so many others succeeded in turning herself from a figure of rebellion into an English Institution.

Edith Sitwell—a hitherto unpublished drawing by Judith de Beer

Refusal to mourn

BY GEORGE MALCOLM THOMSON

The Hour of Our Death
by Philippe Ariès. Allen Lane, £14.95. 651 pages

Death. It is a statistic: an industry; something that happens to everybody once: a main element in religion: the inspiration of some fine, if self-indulgent, prose and some finer verse and, be it acknowledged, an ocean of doggerel. It has been an occasion for pageantry, flags at half-mast, muffled drums, a display, almost a celebration.

I can remember when a funeral meant that all blinds in the street were drawn and a child peered out at the splendid black Flemish horses with their plumes, drawing the hearse, all black and silver. Now it is rather different. One has barely time to doff one's hat—if one doffs it at all!—before the black Daimler whirls past at a reverent 40 mph on its way to the crematorium. Death is what it always has been but our attitude to it has changed. Or has it?

Philippe Ariès is not so sure.

His subject may be a little morbid—a sociological study of the human response to death during the last thousand years, —but he is not. On the contrary he is inquiring, curious and understanding as he relates how men and women, through the ages of faith and the times of doubt, have responded to the shock of mortality.

The *tableaux vivants* of the funeral parlour (see Evelyn Waugh's *The Loved One*), which are (like poor Lenin in his ghastly tomb) the effect, he says, of "a systematic denial of death in a society dedicated to technology and happiness," incorporate traditional elements that have marked funeral ritual through the ages. Such as the Visit to the Deceased in his tomb. "The most displeasing features of the American ritual, like the making up of the body and the simulation of life," exposes, says Ariès, "the resistance of romantic traditions to the pressure of contemporary taboos."

Lenin is a mummy, but then so were the Pharaohs. Embalming, for centuries extinct, seems to have reappeared during the American Civil War to enable families to bring home the bodies of their soldier sons. The American family paying its respects at Forest Lawn, is not so different from its remote ancestors who left food at the grave and, later, put flowers on it on All Souls' Day.

There is, says Ariès, a great difference between the American and the British response to death. In England the goal has been the complete effacement of death from the visible surface of life (although a few pockets of resistance remain in Presbyterian Scotland and among Roman Catholics and Orthodox Jews). But in America powerful commercial interest ensures that death retains its traditional place in life.

Obviously there are profound psychological forces at work here. With the decline of religion and the growing doubt about the existence of a future life, death has become a more bitter severance. In both the American and the European attitudes can be detected the attempt to deny or postpone the inevitable. Funerals were at one time ostentatious; as if by an obeisance to the power of death the survivors were hoping to propitiate it.

Later, from the beginning of the twentieth century as M Aries thinks, funerals now became discreet, almost casual. Mourning was progressively eliminated, a development which the enormous casualties of the First World War encouraged. Whole nations wearing black—it was spectacle which could not be endured! Death, if not shameful, was no longer something to be proud about. One pretended that it did not exist.

This is the last—or last but one—stage in M. Ariès long, thorough and profound research which has taken him through a thousand years of human history. He has recorded the period when death was regarded as a thing of horror (with Hell or, at least, Purgatory, beyond it).

He has dwelt with obvious relief on what he calls "the age of the beautiful death" when the worst feature was that it separated us from those we love. Here the lives and writings of the Brontë sisters, haunted by genius and tuberculosis, provide valuable testimony.

The death of loved ones is intolerable and yet intrinsically beautiful. Reunion after death is certain. In the meantime, one visits the cemetery where the tomb has come more and more to resemble a dwelling. This was the response to death in the Victorian Age. Sentimental, touching, hopeful. But it did not last long. Where previously there had been a slow, gradual change in attitude, now a complete reversal came about in one generation. But the reversal was itself reversed.

"Shown the door by society, death is coming back in through the window." Ariès closes his absorbing book with an account of death in the world today. The ritual is changed: instead of the priests, there are doctors and "funeral directors." But basically the attitude is the same. As was to be expected, death has the last word.

Bauer's fulminations against aid

BY MICHAEL LIPTON

Equality, the Third World and Economic Delusion
by P. T. Bauer. Weidenfeld and Nicolson. £15.00. 293 pages

These essays are thought-provoking polemics for mainstream economics, free markets, and historical awareness of differences among peoples and motives.

The polemics are assisted by wit, clarity and good writing. They are marred, however, by caricature and abuse of opponents. Many good economists argue that international comparisons of income are feasible, or that some economic variables (notably exports from poor countries) are unresponsive to price; they are incessantly accused of "simple transgressions," "incompetence," and "evidently insubstantial notions." Aid and redistribution the author dislikes, and reiterates that "major beneficiaries . . . include . . . advocates": but major beneficiaries of inequality most certainly advocate *that*. Anyway, prompt treatment of illness is not undesirable because advocated by doctors who are paid to treat it.

For one so ready to allege incompetence in opponents, Professor Bauer is rather fallible himself. He states that "aborigines, desert peoples, nomads and other tribesfolk were quite unaffected by ethnic discrimination on the part of Europeans"; and that, prior to the activity of Sanjay Gandhi, India featured "far-reaching official coercion to force people to limit the numbers of their children." He reasons that "increased population results in unemployment" *only* if "the elasticity of substitution between labour and other resources is zero in both production and consumption"; and that "difficulty in servicing debts" on an aid loan is "clear evidence that it was supplied to governments who have wasted the resources they received, or who refuse to honour their obligations" (what of spiralling oil prices, or collapsing export markets?).

He accepts, without question, suicide-rate data from developing countries (while rejecting often much better data for GNP). In saying that these facts are wrong, these arguments unsound, and these uses of data unjustified, I do not deny Professor Bauer's competence, as he denies that of others. I stress only that economics is difficult: we all make mistakes frequently. To equate "I disagree with Bloggs" with "Bloggs is wrong," and that in turn with "Bloggs is incompetent, venial and/or politically motivated," makes for amusing polemics but not advancing economics.

Central to Bauer's views is the essay "The Holy Grail of Equality." For Bauer, income redistribution must "unjustly penalise those who . . . contribute more to output, and favour those who produce less." The distortion of incentive is also inefficient, so that relief of poverty and promotion of development [are] largely at variance." This ignores the real egalitarian case, that much inequality is due to luck, status, and inheritance. To reward these—with outputs produced by labour, capital and enterprise —leaves *fewer* incentives for the producers. Even among producers, very high incomes at the top means fewer incentives for the rest. Whether "redistributive policies" normally "depress the living standards of the poor" must depend on the standards (if the poor had nothing to begin with, redistribution must enrich them) and on the policies. Dramatic land redistribution in Taiwan both reduced poverty and initiated vibrant growth. Nor need efficiency suffer if some private incentives are taxed away to "redistribute" health and education to poor workers, thus raising productivity: a policy that, for Bauer, "treats adults as if they were children."

In chasing numerous hares, none very far, Bauer often lets the main prey escape. Thus his central case against excessive claims for aid is serious and important: that "countries where Government or business can use funds productively can borrow abroad. The maximum contribution of foreign aid to . . . growth of the national income cannot," therefore, "exceed the avoided cost of borrowing."

Against this central case, there are objections. The grant element of aid is about 90 per cent; private agents are *more* likely to lend to a country that enjoys the confidence of aid donors; and many poor nations, able to undertake high-yielding projects with aid, could not pay commercial interest rates because project benefits cannot (or should not) be recovered for State use, or cannot retrieve a foreign-exchange position made desperate by rising oil bills and recessed, or protected, Western markets. Space that should be used to meet these objections is instead wasted on a fusillade of lesser arguments: that aid politicises life (as if unaided nations were less politicised); that aid "created the Third World as a collectivity confronting the West and . . . hostile to it," as though confrontationist arguments were not overwhelmingly about trade, technology and private investment; that aid cannot help the poorest (research into high-yielding cereals, which now add about 10 per cent to India's barely-adequate output of grains?); even, God save the mark, that aid transfers are inflationary in both donor and recipient country—a sort of reverse of mercy (which blesseth, Portia says, him that gives and him that takes).

Professor Bauer's staccato approach, then, leaves him little space to develop and test his *best* ideas, which are fascinating, against the *best* opposition available. He is too busy scattering grapeshot upon caricatures. But it is good, clear, well-written, provocative reading. Not much economics is any of that.

High-born high-jinks

BY JAMES FRENCH

Georgiana, Duchess of Devonshire
by Brian Masters. Hamish Hamilton, £15.00. 316 pages

Never mind the tourists, room must be found in the Tower for author and publisher of this treasonous tract—and, then, off with their heads!

Maliciously and diabolically, and direly provocatively, they have chosen the days after the Royal Wedding to rattle a skeleton in the ancestral cupboard of our beloved Diana—that of Georgiana, daughter of the first Earl Spencer and great, great, great, great-aunt (so Debrett confirms) to Prince Charles's bride, and bride herself at 17 to the fifth Duke of Devonshire.

How unseemly to have brought out this seamy tale while the nation, the Commonwealth, and many citizens of republics and kingdoms throughout the world are still savouring the spectacle of what could be history's last really splendid royal nuptials!

The Devonshires operated—enjoyed would be too strong a word—a ménage à trois for 20 years with Lady Elizabeth Hervey, daughter of the Earl of Bristol, the European traveller par excellence, after whom so many Continental hotels were named. Bess was Georgiana's confidante and the Duke's mistress, and bore him two children. Eventually, when the Duke was widowed, she married him, much to the distaste of his three legitimate children from Georgiana.

After Georgiana had borne her third child, the Marquess of Hartington, son and heir, in a marriage that lacked love but was held together by some form of mutual respect and Georgiana's commanding political grand damery, she felt free to find love elsewhere. She was banished to Europe to bear the bastard of Charles Grey, later Prime Minister.

She was a compulsive gambler, and never out of debt in her life. Thomas Coutts, the Scottish banker, was so beguiled by her charm and beauty that he lent her vast sums, never repaid. Silly man!

Despite all these and more juicy scandals, the book has long, boring patches. Mr Masters persists in irritatingly referring to the principals by the nicknames they gave one another—Canis (Duke), Rat (Georgiana) and Racky (Elizabeth)—and to the Devonshire's daughter Harriet as Hary-O.

Much of the source material is family letters, which tend to be dull and esoteric, and leave a sense of prying into uninteresting details.

Big Ben

94 Declared
by Ben Travers. Elm Tree Books. £5.95, 75 pages

Lunchtime listeners to BBC Radio 3's *Test Match Special* from Lord's in June last year were treated to one of the most captivating 30 minutes of cricket reminiscences ever broadcast when playwright Ben Travers, a renowned devotee and ardent follower of the game, fluently recalled some of the most momentous cricketers he had seen.

It was utterly remarkable and luckily for posterity Ben Travers, who so sadly died some six months later, was persuaded to transfer those unscripted memories into more permanent form.

So now in print we have a first-hand account of a century by W. G. Grace, an innings by Victor Trumper and, perhaps most evocative of all, an on-the-spot description of Gilbert Jessop's immortal 104 at the Oval in 1902.

KEVIN HENRIQUES

Scottish bard

BY ERIK DE MAUNY

Poems of G. S. Fraser
edited by Ian Fletcher and John Lucas. Leicester University Press. £7.50. 208 pages

In the preface to his *Essays on Twentieth Century Poets*, published by Leicester University Press in 1977, G. S. Fraser spoke of poetry as "the great abstract passion of my life." The claim is fleshed out in this posthumous collection, which brings together all the poems from the four volumes Fraser published in his lifetime, together with some poems from a late flowering in the 1970s, and a final section of verse translations from Horace, Ovid and Catullus. It is a moving record of total dedication to a craft. George Fraser was by turns newspaper reporter, temporary soldier, literary critic, and, for some two decades, Reader in Poetry at Leicester University, and in these latter two roles, he did much to help younger writers. By its combination of acute perceptiveness and rigorous intellectual honesty, his voice is one of the most distinctive in contemporary English poetry.

To speak of an abstract passion, however, is to suggest a certain dryness or remoteness from everyday reality, an impression instantly dispelled by Fraser's poetry itself, with its subtle interplay of irony and tenderness, of wit and self-awareness. To the end of his life (he died in early January 1980), he was sharply alert to the contradictory tug of the intellect and the senses, and in the tension between them lies the starting point for many of his poems. There is an early example in a sonnet from *Home Town Elegy* (1944):

My simple heart, bred in
provincial tenderness,

And my cold mind, that takes
the world for theme . . .

In my own recollection, going back to a friendship that started during the war in Cairo, George Fraser's mind was not cold at all. It was certainly finely-tuned, and moved with ease in the spheres of philosophical speculation, so that many of his poems have a sinewy intellectual quality. But he was also very much *l'homme moyen sensuel*, a condition he occasionally struggled against, but not too wholeheartedly: in the midst of a metaphysical meditation, he could be swiftly brought back to earth by the symmetry of a shapely pair of legs.

In other words, a complex man. I think he saw life as tragic, in an Old Testament sense, but not to be taken too seriously. He had sat down and wept by the waters of Babylon, but he also saw the humorous side of being exiled in the poetic predicament.

Above all, he was a poet with a deep perception of the many interlocking layers of love and friendship, and it is this gift which shines through the long epistolary and anecdotal poems, the elegies for vanished friends, and the marvellously tender poems written to his wife. As the editors of this collection point out, he was also an intensely civilised man. Yet he never ceased to be aware that, under the thin crust of civilisation, lies a dark abyss. As he put it in one of his late poems—

Madness, illusions of
omnipotence!
I am a poet, I have known
them too . . .

Show goes on

BY KATE MORRISON

Marital Rites
by Margaret Forster. Secker and Warburg. £6.95. 183 pages

It is a truth universally acknowledged that a happily married man in possession of a good salary may become susceptible to the advances of another woman.

Jane Austen may not have agreed: Margaret Forster may not either, but she highlights the irony of the situation, that a "perfect marriage" can exist in spite of escapades by an erring partner. Anna Osgood meticulously runs a perfect home.

Her envious "friends" bulldoze their way into her life, searching eagerly for signs of stress in the Osgood establishment. She, after all, is a rarity, the only one of them without a blight on her marriage.

It is not just a veneer of a marriage because the Osgoods are genuinely content. Proof of the strength of their understanding emerges when the honourable Robert, in a letter of confession reveals his infidelity. Though Anna is shaken by this extraordinary revelation, the marriage is not. The bricks and mortar of the Osgood institution are resilient enough and their reserves great enough to withstand a siege. The momentum of 20 years together keeps the marriage ticking over.

However, it is not the story that compels one to read on — it is so very pedestrian — unless it is its very ordinariness that holds one's fascination. It is rather the unusual reactions that the writer has given to her characters that makes one sympathise all round and lifts them from the commonplace.

Young clever Claire Bailey who appreciates hard work and achievement is provided with a suitable challenge in the impeccable Robert and resolves to provide him with those things he might not have realised he was missing; poor Robert is tempted in one direction and then pulled back in another, without making his own decision between the two women who manipulate him.

In the end he steps on to the pathway laid out for him: secretive Anna, guided by her intuition and wifely instincts in her devotion to her family prevails.

Margaret Forster's conclusion is that the "show" went on upheld by the inviolable bonds of matrimony. But, the reader is forced to ask, uneasily, "and that was all that mattered, wasn't it?"

Margaret Forster: wife v. girlfriend story

HOW TO SPEND IT

by Lucia van der Post

Hot tips for summer days

SUMMER seems to have put in some kind of an appearance at last. Just in time for you know what. In the happy hope that it will stay around long enough to let us begin to enjoy the pleasures of warm, balmy days the How to Spend It page this week looks at just some of the new aids to summer and holiday living.

● There are lots of fresh, new ideas on the beauty front. Elizabeth Arden has brought out a new mascara with the kind of unambiguous name (Lavish Lash Building Mascara) that beauty houses go in for these days. Elizabeth Arden goes on to remind us that we are all sisters under the skin, women since time began (well, to be more precise, since African nomads before the time of Cleopatra) have realised that thick and lustrous lashes, if not supplied by nature, should, if at all possible, be supplied in *some other way.*

Lavish Lash Building Mascara is not waterproof (if that's what you want or need I mentioned Ella Bache's special waterproof mascara a few weeks back) but it does add lushness to the lashes, it is flakeproof and smudgeproof. It comes in lavish black, brown or navy, each is £3.95 and it is recommended that you use Elizabeth Arden's Eye Make-up Remover cream (£3.75) to take it off.

● All those who have suffered from the appearance of small brown marks on the surface of the skin (these are most likely to happen if you sunbathe when pregnant, when on the pill or as a result of ageing) might like to know that there is now a cream that helps to fade out these marks. The cream itself is called Fade-Out Creme, costs £3.50 and if applied regularly *really does* result in the fading out of the small brown marks completely.

We all know that sunbathing is the surest and quickest way of damaging and ageing the skin but for those who for some reason cannot keep out of the sun, the same company also produces a Fade-Out Sunblock which will completely block out the sun's rays and therefore prevent any further brown marking. The sunblock is £2.95 and both creams are available from larger branches *of Boots.*

● Anybody who has ever watched a professional applying make-up will know that one of the reasons there is such a huge difference between what the expert achieves and what most of us end up with in front of our own mirrors, is because the professional uses a small battery of special cosmetic brushes. Those who want to see just what they could do if only they had the same equipment will be able to buy a small selection of very good Leichner brushes relatively inexpensively.

There's a pack of three eye sticks (for smoothing eye shadow onto the lid), for 85p; an eyebrush and comb (also 85p, and not in my view strictly necessary); there's a lip brush for £1.05 (lipstick applied with this really does look a whole lot better and stays put longer); a blusher brush (£1.15) and an eye shadow brush (95p). The whole range is called Shape and Shade and is available from most good cosmetic counters.

● For travellers there are two products worth remembering—one new, one old. Firstly, Woolite which has been on the market for some time, but has only recently become available all over the country (Boots, fine *knitwear outlets, good haberdashers*). The great advantage of Woolite is that you can wash almost anything in it, no matter how delicate, and that it needs no hot water—so it is the ideal washing powder to take on holiday. Many people become so addicted to Woolite that they use it most of the time anyway—because it needs no hot water it, of course, saves on the heating bills.

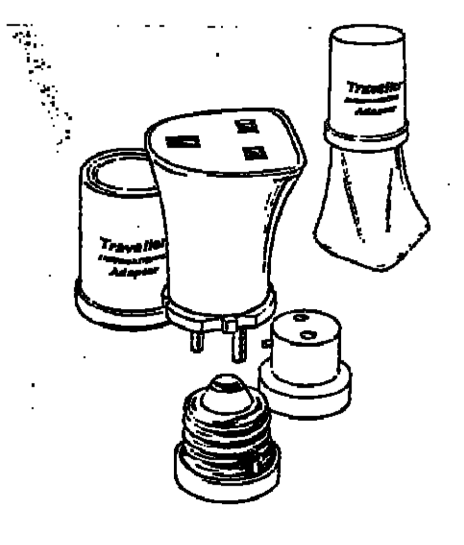
It is also undoubtedly the powder to use with very delicate fabrics. It comes in powder or liquid form, price depends upon the size of container, but if the instructions are followed it works out at approximately 4p per wash. The Woolite Advisory Bureau has in addition brought out a series of leaflets on how to wash most of the delicate fabrics in current usage. For a complete set send 25p postal order to Mrs Kate Thomasson, Woolite Advisory Bureau, Howard House, Gippeswyk Avenue, Ipswich IP2 9AE.

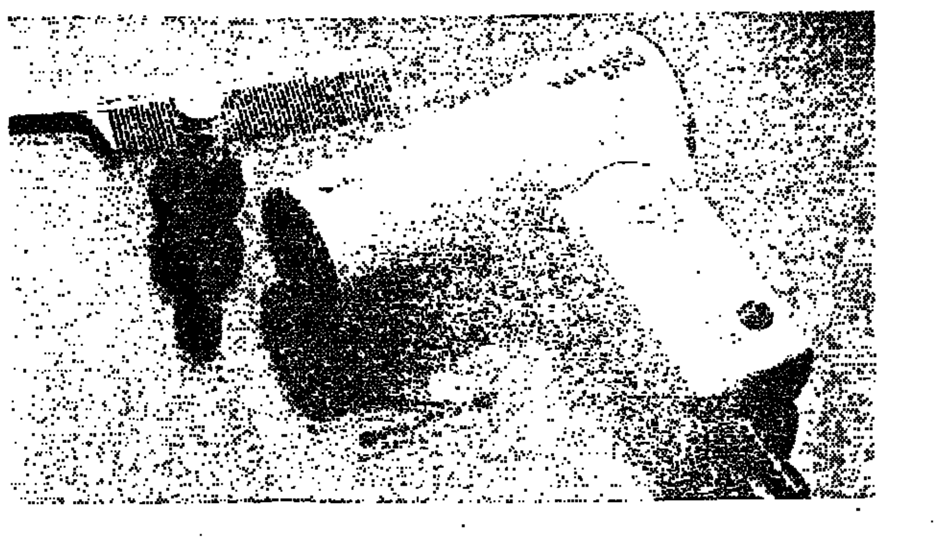
Secondly, liquid soap, which is pressed out by pushing down a lever, is becoming more easily available and it is one answer to the problem of travelling with tacky pieces of soap. Shepherds Heath Herbal Liquid Soap is one of the newest of the liquid versions and it smells refreshingly fresh (Oil of Rosemary is a prominent herb) and uncloying, £2.45 for 200 millilitres.

● Not many of us have enough languages up our sleeves to be able to cope with the menus of all the countries in Europe. Anybody who is travelling by car or coach and is likely to be crossing several borders may well be faced with copious menus in several different languages. Or you may be going to just one country whose language you can't speak. The answer to restaurant eating is a little book called *Eating Out*. Published by David and Charles at £1.95, it has been compiled by Sally Major and lists alphabetically all the major dishes you are likely to encounter in any European country (except Eastern Bloc, Great Britain and Scandinavia).

A SPLENDIDLY colourful and up-to-the-minute change from all that fake wrought-iron is this collection of furniture designed by Fitch and Company, for Rhodon House of Telford. Peter Crutch, the designer, used moulded glass reinforced fibre so that the furniture would function equally well inside or out. The initial pieces include tables with large and small circular or rectangular tops on low, medium or high bases—all this offers the potential buyer a big range of choices.

With the large top table the buyer can have a planter, parasol or lighting arrangement in the middle and all the stools can be bought in high or low heights. In three colours (grass green, champagne or chestnut) this is just the beginning of what promises to be a very practical, versatile range. Prices start at £30 for a stool, £175 for tables. For stockists contact Rhodon House, Unit 1, Priorslee Trading Estate, Telford, Shropshire.



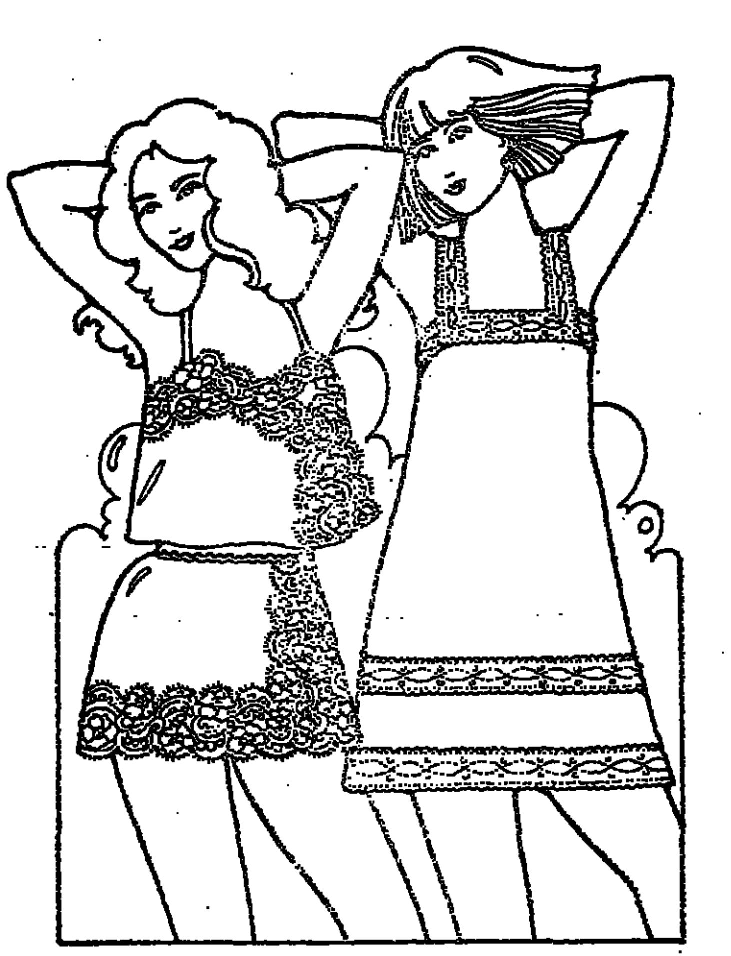


Left, above: the International Travel Plug means that now those travelling abroad will not have to change the 13 amp plug on any appliance up to 5 amps that isn't earthed. It also takes 3-pin, 13 amp plugs and adapts them for local sockets abroad including bayonet and screw-type light sockets. Use it in Canada, USA, South America, Africa, India, *Japan, Australia, New Zealand* and Europe; £3.95 from Woolworth and Woolco stores.

Right, above: the hairdrier for the traveller—the Philips Voyager 1200, is light and has a folding handle and best of all, has dual voltage (110V or 240V). There are two heat settings and it can be bought for about £9.95 from most department stores.

Below, left: last year when I mentioned an ice-crusher the unfortunate importer was so deluged with orders that he was still dealing with them several months later. All those who didn't get one last time might like to know that W. L. Housewares (36-38 Willesden Lane, London, NW6) has produced a neat version that is in plentiful supply. In brown and beige tough plastic, it is neat and sleek looking, is 7 ins high and can be found at most large stores, including Debenhams stores, Selfridges, Lewis of Manchester, Allders of Croydon. £2.99.

Below right: Charlotte Hilton is perhaps best-known for luscious nightwear but to cope with this summer's fashions (ruffled blouses in handkerchief-fine cotton and the revival of the mini) she has produced some exquisite underwear. To wear under blouses that might just be see-through she suggests a fine white Swiss cotton voile slip, charmingly decorated with fine white cotton lace, right. It is about £45 from Fortnum and Mason, Henry Ash in Norwich and Jennifer Browning of Harrogate and Edinburgh. For wearing under minis, what else but *the most enchanting of mini-slips*, left. In fine polyester satin, with rich lace, it is £24. Wear it with matching camisole top (£30). From Harrods of Knightsbridge, Ami of Newcastle and Croft of Harrogate.



Drawings by Anne Morrow

Fine Scottish fare

BY JUDY WHALE

I WENT some years ago to a Scottish lochside hotel, with high hopes of fresh salmon and home-grown vegetables. The first night's gloom, as I gazed at grey mince and tinned peas, was only lifted once during the whole fortnight when we all shared the trout caught by two fellow guests. I thought longingly of the rare beef Wellington and pink crown roasts of lamb served by my relations to their Sassenach kin, and wondered at the difference.

The main cause was economic: the hotel had to make a profit, while my family and friends can afford to feed us well. But they're also whizzes at turning mince into a gastronomic treat; so were there other reasons?

I knew there were at least two traditions of Scottish cookery. One, found in private country houses, draws on the gentry's privilege of bagging their own game and thrashing their burns. The ingredients are so good in themselves that *they mainly benefit from the* plain treatment they are usually given. The other was crofters' fare, dishes like Cullen Skink and stoved tatties, translating lowlier produce into strengthening food for people battling against the elements.

Still, my hotel wasn't giving me either of these. Could it be that the Calvinistic conscience didn't approve of the enjoyment of food? Or did the temperament of Western highlanders come into it?

I didn't then follow up these idle speculations, but a recent look at bonny beef and lamb on the hoof made me contemplate its ultimate fate: could it now be tracked down, properly treated, on public and well as private tables, and how were present-day visitors faring generally in their search for fine Scottish fare.

It appears that things are looking up. A browse through the food guides reveals that good cooking, both plain and fancy, raises its head *even* in far-flung parts of the country. But it's often expensive; for, in particular, that fine-flavoured meat we southerners yearn for costs money to produce and time to hang. It's not at its best until three weeks after slaughtering, by which time its lost weight and therefore profit.

But some restaurants with small budgets buy meat which is vacuum-packed immediately after slaughtering, with tough results, aggravated by overcooking: culinary expertise and labour are increasingly expensive too.

Some family concerns come up with well-prepared versions of traditional Scottish dishes to cater for the less well-heeled, and there are good establishments charging modest prices (a four-course meal which included local salmon and decent wine cost £35 for six people recently near Loch Voil). But are they being supported, and how do you find them?

This is where the Scottish Tourist Board's *A Taste of Scotland** is coming to the rescue. Inspired by Theadora Fitzgibbon's book of that name, it was launched in 1970 to encourage caterers to include at least two Scottish items on every menu, to appeal to the visitor. The idea caught on and spread. But there was no system of checking just how good the dishes were, so discrepancies of standard arose. However, there's now an inspection committee; and Catherine Brown, a Scottish food specialist and writer, has been appointed consultant to the scheme.

You can get a list of the members from information centres: it's divided into three price-ranges, from hotels serving *dinner* with wine to boarding-houses where high tea and hearty breakfasts (ah! kippers) are the thing. This year's edition includes recipes too.

Another cheering development is the appearance of bar lunches. Scottish pubs used to be bastions of the dedicated drinker: women were frowned on when not altogether banished, and food regarded as irrelevant. But it's possible these days to eat lightly and well in the middle of the day. (You can also get a drink on Sundays, bona fide traveller or not.)

Good news for picnickers too: butchers have their interests at heart. Its always been possible to find, as well as meat, a vast array of pies, patties and bridies in town butchers' shops; and Kerr Little in Dumfries also stocks multifarious cheeses, while Fred Stahly in Kirkcaldy sells home-made soup, sweet pies and flies' cemeteries (fruit cake).

But butchers in smaller places are geared to visitors now: and the future looks assured—Mr Stahly, along with other master butchers, is furthering the training of youngsters learning the trade all over the country.

Visitors to Scotland in August and September should benefit from new season's lamb. If you're cooking for yourself note that even the fore-parts can be roasted, and shoulder used for kebabs and barbecuing. New beef makes its appearance in September too. In some places there's fish by the bucketful, and a particular pleasure is the wider availability of fruit: more farmers now run pick-your-own operations instead of selling to canners and freezing firms.

But it's no use pretending that fresh supplies aren't patchy. Vegetables may be in good health round the Crinan Canal and Inverness, but in Tobermory they come over from the mainland, tired and expensive, with yesterday's sliced bread. One village shop may feature the baps and Caboc you hoped for, while another be reduced to processed cheese and baked beans.

Whatever your luck on the food front, there's always the wonderful scenery and a wee dram on hand to provide strong consolation.

For a do-it-yourself taste of Scotland, here's one of Catherine Brown's recipes:

STEAK BALMORAL

8 fillet steaks (6 oz each); ½lb chopped fried mushrooms; 2 oz butter; 8 fried bread rounds; 2 tablespoons oil; asparagus tips; 5 fluid oz whisky; 1½ pints rich brown sauce; salt and pepper.

Heat half the butter and all the oil. Fry steaks to required point, remove and keep warm. Add warmed whisky to pan juices and flame. Stir in brown sauce, bring to boil and reduce by about half. Season and blend in remaining butter. Spread mushrooms over warm bread rounds, top with steak and coat with sauce. Serve garnished with asparagus tips.

* *Available free from the Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh.*

ARTS

Beside the Wedding

BY B. A. YOUNG

With a radio on Radio 3 and a radio on Radio 4 and a telly sharing BBC1 and ITV, I reckon I knew as much about the *Royal Wedding as old Wynford* Vaughan-Thomas himself. Most of the world must have been covering that event, and I don't think I need say much about it. When nothing official was happening there was the usual condescending conversation with people in the crowd. All the commentators seemed anxious to mention their home towns on a can-you-hear-me-mother basis, and Rolf Harris was chatting up a girl poet even after the guests had begun to appear on the TV screen. I asked myself in my superior way if it helped to present the spectacle when Lorraine Chase said: "We can just see a coach with two geezers sittin' on the front" or "All the people in their lovely red outfits."

This was presumably a BBC attempt to make the whole thing more democratic, as if it weren't (as Lord Blake pointed out in Wednesday's paper) already a totally democratic function. The monarchy belongs to all of us; if the Prince and Princess of Wales had wanted a quiet ceremony at Sandringham, they could have had it, but instead, they had this great show, with the fireworks the night before, to share it with us.

It was all so heart-warming that any miscalculations in the coverage may be forgiven; and if the real thing on television (which attracted three times as *many devotees as sound at the* BBC's estimate, 750m to 250m) was naturally the winner, that curiously-chosen bunch of commentators on radio did all that radio could, and they at any rate enjoyed themselves.

Radio 3's bizarre notion of broadcasting Massimo Troiano's running commentary on the wedding of Duke Wilhelm of Bavaria to Princess Renée of Lorraine in Munich in 1568 was strictly for specialists. I was too much interested in other things to pay much attention to Part One (9.05 to 10.05 a.m.), but the lip-smacking account of the wedding-feast by Leo McKern in Part Two (5 to 7 p.m.) was fascinating. I think the BBC must let us have all three parts again when there is less competition from the current world.

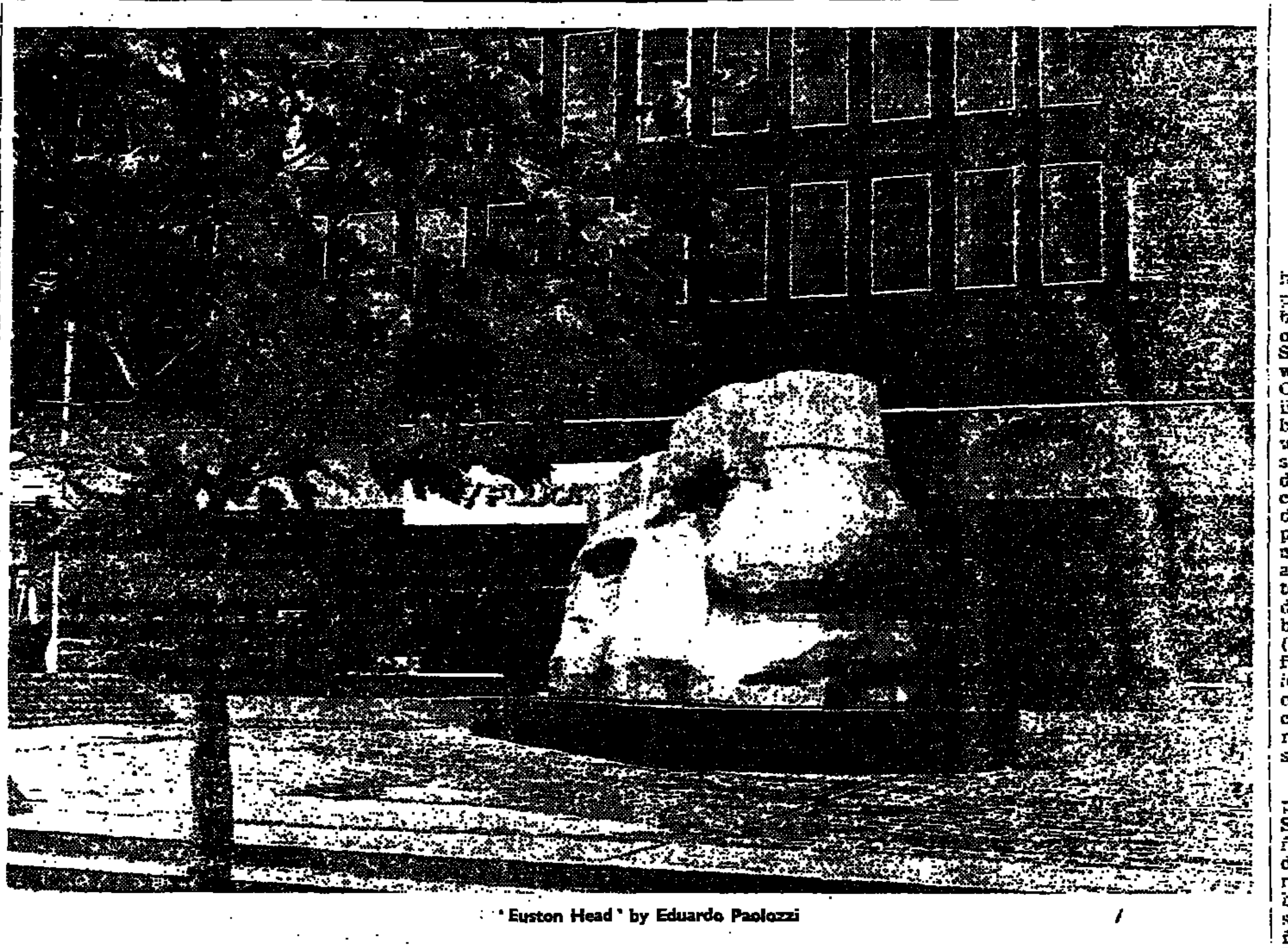
Competition from the current world was well covered in *File on 4*, (Radio 4, 8.45 p.m. on wedding day) in which Tudor Lomas reviewed the state of Egypt on the eve of President Sadat's visit to London and Washington, and found it less than happy. The trouble with the Camp David agreement has been that the resultant peace was supposed to bring prosperity with it, but instead of prosperity, for most people there is increasing poverty. *Consequently there is resentment* against President Sadat's government and the idea of peace, especially as Israel hasn't shown itself a notably peaceable nation.

Tudor Lomas found plenty of business people to say that "All people in Egypt are happy" or "business in Egypt is good." An optimistic note was struck in connection with village development. But there were saddening tales of poverty, a family of ten, for instance, living in a disused tomb; and sinister threats from the *Moslem* Brotherhood and from the Bar Association embattled at this moment in their besieged headquarters.

In a happier mood, on Sunday, *when we had relaxed from* Bayreuth's *Meistersinger* with its false start, there was the second in Hunter Davies's little Radio 3 series about old jazz-players. *Take it, Prezarini!* told of the tenor-saxophone player Lester Young, and it was a far better programme than last week's about King Oliver. It gave us so much more music, *from all parts of Lester Young's* career; and it is the music that matters, not his rows with his father or his addiction to drink or drugs.

In a week so rich in public spectacle, I commend Radio 3's fine series of readings called *A Memorable Scene*. I've listened to these since they began, and much admire the unerring skill with which the extracts are chosen and the ability with which they are read. This week's choice was the account of Sultan Mahomed II's conquest of Constantinople in 1453, taken from Gibbon's *Decline and Fall*, and it was faultlessly read by Brewster Mason.

As a curiosity, catch Capital's play tomorrow, *The Grey Cloud Show*, by Lindsay Joe Wesker. This is about a disc-jockey so upset by rejection at the hands of two quick pick-ups that he turns his programme from the Sunshine Show to the Grey Cloud Show. Lindsay Joe is the son of Arnold. Don't expect to find any sign of hereditary talent; but the disc-jockey is played by Antony Sher, and there talent abounds.



'Euston Head' by Eduardo Paolozzi

King and Paolozzi in public

BY WILLIAM PACKER

London has not exactly taken modern sculpture to its heart, and though there was a brief flurry of patronage in the sixties, and the occasional particular accession since, almost invariably attended by boorish controversy and media attention, to say nothing of the abuse visited upon the poor artist in question (even Henry Moore's age and undoubted distinction do *not exempt him*), it remains for the most part aloof. But there have been hopeful signs lately that at last better artists are to get better treatment. The large Moore Arch is installed in Hyde Park (though it remains a scandal that of the several Moores now on public sites, all were gifts, none commissioned), the first public Caro in Hammersmith, and Barry Flanagan in the City.

And now, within days of each other, two more major works have been unveiled, or rather, in one case, declared open, with the high establishment to do the honours, two more important artists are thus celebrated. Furthermore, both works are the fruit of generous and imaginative co-operative sponsorship by public and, most *importantly*, private business.

The large sculpture by Phillip King, "Clarion," that was on the terrace of the Hayward throughout his recent retrospective, has now found its permanent home at the point of the triangular island site smack in the middle of Fulham Broadway. The Borough itself made available and prepared the site, the Arts Council found half of the cost of the commission, and Romulus Construction Company not only made up the rest of that £15,000, but also covered the costs of installation, and have engaged to cover the costs of maintenance as well. And what the public gets out of it all is a splendid work of art, surprisingly light and energetic despite its bulk, a mass of metal tossed lightly up on a progressive trelliswork of metal legs, to enhance and enliven an unregarded thoroughfare.

Across London at Euston Square the work is somewhat different but as impressive, a ponderous mass of cast iron, a ship, or a tank, or a city on a *mountain-top, or whatever*, and a remarkable artefact in any case that more than holds its own in the modern office-scape. "Euston Head" is by Eduardo Paolozzi and as with the King, to our shame, is his first major commission in London. We have Fluor (GB) Ltd, Sir Robert McAlpine and Sons, Norwich *Union, Pension Fund Securities* and the British Railways Board to thank for joining together to put the matter right.

Chaikovsky and Britten

BY MAX LOPPERT

The Bournemouth Symphony, in its single appearance at the proms, set itself a weighty task by giving over the second half of its concert to the *Manfred* Symphony. This marvellous work, which unleashes some of Chaikovsky's most intensely felt invention and some of his most brilliant and various orchestral writing, *does not disclose* its secrets at all easily. The dramatic conception of the composition, which would seem dramatic whether its Byronic programme were known or not, needs highly dramatic performance—playing perceptive of the temper of each incident, conducting alert to the impulse behind each tempo change (especially *in the first* and fourth movements, where the *idée fixe* enters the bloodstream of the discourse much more contagiously), a sense of movement at once flexible and stringently controlled.

Bournemouth's recently appointed principal conductor, Uri Segal, evinced a valiant but so far incomplete grasp of the drama. The two middle movements came off best, mainly because their musical imagery stays for the most part delightfully simple and picturesque. Even there, however, and notably in the outer two movements, Mr Segal and his players showed a certain unwillingness to characterise the carefully chosen varieties of accentuation, to indicate the emotional pull behind patterns of repeated rhythmic figures; in the staccato waterfall sprays of the second movement there was insufficient dexterity, in the triplets low on the strings stirring up the romantic despair of the first, insufficient vibrancy. It has to be said, too, that one missed a larger spirit of virtuosity behind the playing—not just virtuosity of execution, but an all-encompassing response to the colours so delicately and powerfully combined.

A decent performance, all the same: it was good to hear *Manfred in the* Albert Hall, where Chaikovsky's orchestration has air to breathe and space to expand. Britten sounded good here no less, especially as the account of the suite of four movements from his absurdly neglected *Gloriana* earlier in the concert inspired a much less equivocal enthusiasm. The music was much more under the fingers and on the lips of the players: there was dash and energy in each movement, and a pleasing sense of the way Britten's music straddles two worlds. Perhaps, though, the suite is not, all the way through, the very best of *Gloriana*, the element of expert pastiche, entirely defused across an experience of the complete opera, tends to stand out more readily in these short movements. But Essex's lute song, of which Anthony Rolfe Johnson's performance was carefully styled, passionate in feeling, and warm of tone, sounded as beautiful as ever.

New Artistic Director for Haymarket Theatre Leicester

Michael Meacham, Associate Director at the Haymarket Theatre, Leicester, has been appointed Artistic Director in succession to Robin Midgley, who has resigned to take up an appointment as Head of Drama (English Regions), BBC Television.

Mr Meacham has been associate director at the Haymarket since 1978 and had *directed there previously* in 1975 and 1977. His recent Haymarket productions include the musical *Gigi*, Shaw's *Arms and the Man*, Beckett's *Happy Days*, and Albee's *A Delicate Balance*. An actor by training, he has directed extensively in British theatres, and in Canada, the U.S., South Africa, and Israel. He was artistic director of the Citizens' Theatre, Glasgow, from 1966-70.

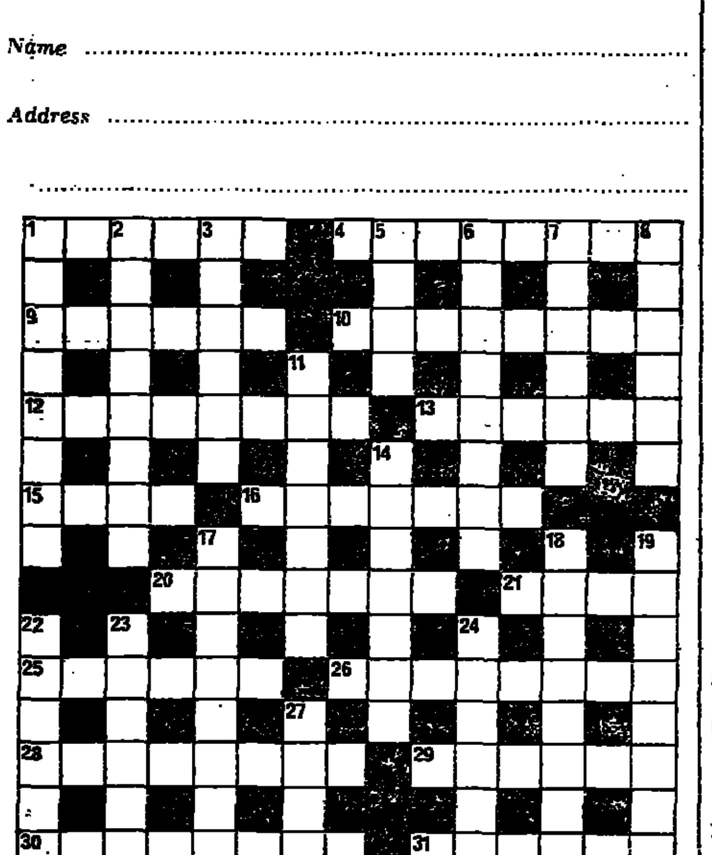
He proposes to maintain the Haymarket's reputation for sending major productions out on tour and into London—where recent Haymarket successes have included Rattigan's *Cause Célèbre* and the musicals *My Fair Lady* and *Oklahoma!*

F.T. CROSSWORD PUZZLE No. 4,635

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



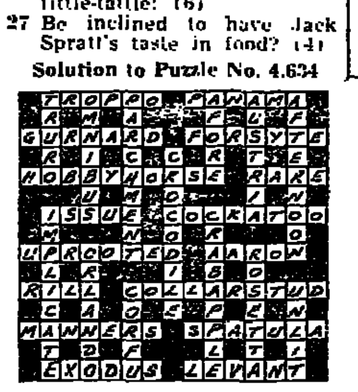
ACROSS

1 A pocket-book all soaked outside (6)
4 A nod to auctioneer can change price finally for a dwelling (8)
9 *Message from the landlord* (6)
10 Trail net around offshore initially for a goby (8)
12 Follow grinder making a Norman moulding (8)
13 Shelf right for a book of accounts (6)
15 Changed tone to make it? (4)
16 Little Wilhelmine did it on *the green* (7)
20 Let go! It may be happy in the end! (7)
21 Ring an old-timer? (4)
25 Fish without limit in front of rocks (6)
26 A fellow about to make promises for the right to join a church (8)
28 Open a short edition and it becomes visible (8)
29 Going up like *foreign* currency (6)
30 Contrite writer I supplied with cover (8)
31 Thrust between two points it's said (6)

DOWN

1 It's not rare to receive words of congratulation (4, 4)
2 Fired on one crowd in dispute (8)
3 Novel Eastern leader gets up in a flap on an aircraft (6)
5 What dogs do around trees? (4)
6 Dangerous bank over centre of dell — for those badly versed? (8)
7 By no means accept silver from a minority (6)
8 To penetrate article needs *guts* (6)
11 Check through a plug (7)
14 Superintend a group of lions? Yes, without leader inside! (7)
17 To write slang about heroic starter reveals bias (8)
18 Give information wrongly and fail to reach the summit (8)
19 *Pay down £100 for sea-food* (8)
22 Tyrannical person gets credit for article contained inside (6)
23 Slipshod worker to be fond of in two extremes (6)
24 Travel South and drink? It's tittle-tattle! (6)
27 Be inclined to have Jack Spratt's taste in food? (4)

Solution to Puzzle No. 4,634



TV/Radio

†Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (uhf only). 9.05 Play Golf. 9.30 Get Set for Summer with Peter Powell. †11.00 Edgar Kennedy in "Bad Housekeeping." 11.22 Weather. 11.25 Test Cricket: England v Australia. Commentary from Edgbaston.
1.30 pm Grandstand — World Canoeing Championships: Racing from Goodwood: Cricket — The Fourth Test: England v Australia: International Show Jumping from Hickstead: Final Score.
5.10 *Alias Smith and Jones.*
6.00 News.
6.10 Sport/Regional News.
6.15 Pop Quiz.
6.45 Saturday Film: "The Lost World," starring Michael Rennie.
8.20 Summertime Special.
9.05 News and Sport.
9.20 Roots (Part 12).
10.50 My Kind of Music with Lulu and Shakin' Stevens.
11.20 House Calls.
11.45 Weatherman.

All Regions as BBC 1 except as follows:

BBC Cymru/Wales — 6.10-6.15 pm Sports News Wales. 11.45 Weather for Wales.

Scotland—11.45 pm News and Weather for Scotland.

Northern Ireland—6.10-6.15 pm Northern Ireland News and Sport. 11.45 News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West *only*) *Saturday Spotlight.*

BBC 2

7.40 am-2.20 pm Open University.
3.10 Saturday Cinema: "The Courage of Black Beauty," starring John Crawford.
4.25 Test Cricket: England v Australia from Edgbaston.
6.40 The Sky at Night.
7.00 News and Sport.
7.15 Spirit of Asia: The Story of Rama.
8.20 Two Sides of the Rostrum: The Players Viewpoint. Bernard Keeffe rehearses the orchestra of Trinity College of Music, London.
9.20 International Show Jumping.
9.55 Cricket: highlights.
10.25 News On 2.
†10.30 "Bedlam," starring Boris Karloff.

†11.45 "BUG," starring Bradford Dillman.

LONDON

8.25 am Seasame Street. 9.25 Royal honeymoon departure. 10.00 Cartons. 10.35 Thunderbirds. 11.30 Clapperboard. 12.00 pm Lost Islands.
12.30 World of Sport—12.35 International Sports Special (part one) Golf, U.S. Women's Open Championship from La Grange, Australian Pools; 1.15 News; 1.20 The ITV Six from Newmarket and Thirsk; 2.55 International Sports Special (part two) Speedway and Polo from Windsor; 4.00 Wrestling from Brent Town Hall; 4.50 Results.
5.05 Worzel Gummidge.
5.35 News from ITN.
5.40 Chips.
6.35 Mind Your Language.
7.05 *Russ Abbot's Saturday* Madhouse.
7.35 "Murder in Music City," starring Sonny Bono.
9.20 Seagull Island.
10.20 News from ITN.
10.35 House on the Hill.
11.35 Let's Rock!
12.05 am Police Surgeon.
12.35 Close with Dilys Powell, CBE.

All IBA regions as London except at the following times:

ANGLIA

9.25 am Sesame Street. 10.25 Clapperboard. 10.50 Morning Film: "Journey Back to Oz," starring Milton Berle, Liza Minnelli and Mickey Rooney. 5.05 pm Under Manning. 6.35 The Video Entertainers. 12.05 am Love American Style. 12.35 At the End of the Day.

ATV

9.10 am A Better Read. 9.35 Save It. 10.00 Clapperboard. †10.30 Picture Show: "The Man in the Iron Mask." 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 Video Entertainers.

BORDER

9.10 am A Better Read. 9.35 Save It. 10.00 The Flying Kiwi. 10.25 World Famous Fairy Tales. 10.35 Joe 90. 11.05 240 Robert. 12.00 pm Clapperboard. 5.05 Under Manning. 5.35 News and Border Weather. 6.35 The Video Entertainers.

CHANNEL

5.05 pm Under manning. 5.35 News followed by Channel Islands weather. 5.40 Puffin's Pla(i)ce. 6.35 The Video Entertainers.

GRAMPIAN

9.35 am Larry the Lamb in Toytown. 9.40 Cub Car. 10.10 The Flying Kiwi. 10.40 Here's Boomer. 11.10 Thunderbirds. 12.00 Clapperboard. 5.05 pm Under Manning. 5.40 The Incredible Hulk. 6.35 The Video Entertainers. 12.05 am Reflections.

GRANADA

9.15 am Helping Hand. 9.40 Save It. 10.05 Saturday Morning Pictures: Mystery Island. 10.15 Treasury Island. 12.00 Clapperboard. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 12.05 am Thriller.

HTV

9.00 am Save It. 9.25 Helping Hand. 9.50 Clapperboard. 10.20 Happy Days. 10.50 Broken Arrow. 12.28 pm HTV News. 5.05 *Under Manning*. 5.30 HTV News. 5.40 Return of the Saint. 6.35 The Video Entertainers.

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Save It! 10.00 Welcome Back, Kotter. 10.25 Joe 90. 10.50 Larry The Lamb. 11.05 Chopper Squad. 12.00 pm Clapperboard. 5.05 Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 12.05 am Late Call. Commissioner Eva Burrows.

SOUTHERN

9.05 am Sesame Street. 10.05 Park Ranger. 10.35 Thunderbirds. 11.30 *Clapperboard.* 12.00 *pm The New Fred* and Barney Show. 5.05 Under Manning. 5.40 The Incredible Hulk. 6.35 The Video Entertainers. 12.05 am Southern News. 12.10 Paris by Night. 12.35 am Weather Forecast followed by Peter Tims Reflects.

TYNE TEES

9.00 am Cartoon Time. 9.10 Chopper Squad. 9.55 Butch Cassidy. 10.15 Morning Movie: "Call of the Wild," starring Clark Gable and Loretta Young. 12.00 *pm Clapperboard.* 5.05 *Under* Manning. 5.40 North East News. 6.35 The Video Entertainers. 11.35 Frank Sinatra. 12.30 am Poet's Corner.

ULSTER

9.15 am Helping Hand. 9.40 Save It! 10.05 Thunderbirds. 11.05 240 Robert. 12.00 pm Clapperboard. 5.05 Under Manning. 5.38 Ulster News. 5.40 Return of the Saint. 6.35 The Video Entertainers. 10.34 Ulster Weather. 11.35 Sports Results. 11.40 Bedtime.

WESTWARD

9.25 am The Flying Kiwi. 9.50 Look and See. 9.55 Stingray. 10.20 Gus Honeybun's Birthdays. 10.25 Clapperboard. 10.50 Cartoontime. 11.00 The Saturday Morning Picture Show. 12.27 pm Westward News. *5.05 Under* Manning. 5.40 Westward News. 6.35 The Video Entertainers. 12.05 am Tennent's Golden Arrow Darts. 12.35 Faith for Life. 12.40 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am A Better Read. 9.25 Soldierman. 9.40 Little House on the Prairie. 10.25 Clapperboard. 10.50 The Saturday Morning Picture: "Three Men in a Boat." 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 12.05 am Superstar Profile.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (part 18) (S). 2.00 A King in New York (S). 2.05 *Star Wars, starring Mark Hamill* as Luke Skywalker and Anthony Daniels as See Threepio (part 5) (S). 2.30 Paul Gambaccini (S) including 3.00 U.S. Top 30. 4.00 Walters' Weekly (S). 5.00 Rock On with Tommy Vance (S). 6.30 In Concert, *featuring Gillan (S)*

RADIO 2

5.00 am Tony Brandon with the Saturday Early Show (S), including 8.02 Racing Bulletin. 8.04 David Jacobs presents Star Sounds (S). 10.00 Pete Murray's Open House direct from the Playhouse Theatre, Manchester (S). 12.00 pm Two's Best with Len Jackson (S). 1.00 Punch Line. 1.30 Sport on 2: Test Cricket commentaries; Goodwood Racing; Hickstead Showjumping, plus news of the rest of today's sport. 6.00 Country Style with David Allan. 7.00 Three in a Row. 7.30 Cricket Scoreboard. 7.33 Big Band Special with the Radio Big Band (S). 8.00 Saturday Night is Gala Night: Tribute to Noel Coward (S). 9.00 Geoff Love in Concert from Golders Green. 10.00 Nordring Rendezvous from Holland (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music with Nick Jackson (S).

RADIO 3

8.00 am News. 8.05 Aubade: Chopin, Brahms (S). 9.00 News. 9.05 Stereo Release: Shostakovich, Elgar (S). 10.55 Bandstand: Brass band concert (S). 11.25 Test Cricket: England v Australia. Commentary from Edgbaston. 1.35 pm News. 1.40 A View from the Boundary. 2.00 Lunchtime scoreboard. 6.40 Drawing the Line at Laughter. 7.30 Proms 81 direct from the Royal Albert Hall *Part 1: Haydn, Dallapiccola (S).* 8.25 Spurgeon and Co. Alan Gibson looks at the golden age of Victorian and Edwardian preaching. 8.45 Proms 81 (Part 2): Mahler (S). 9.55 The Festival Scene in America: Bernard Levin reports on the Marlboro Festival in Vermont (S). 10.15 Dvorak: String Quartet No. 13, Op. 106 (S). 11.00 News. 11.05-11.15 Chopin.

VHF only: 5.55-7.55 am Open University. 11.25 Haydn. String Quartet in D minor, Op. 42 (S). 11.45 Diversions: *Fritz Spiegl* with records (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Boston Symphony Orchestra Concert. Mozart, Debussy, Schubert (S). 4.10 The Polignac Salon. A series about the salon of the Princess Edmond de Polignac (1865-1943) and its music (S). 5.00 *Jazz Record Requests with Peter* Clayton (S). 5.45-6.40 The Classical Guitar recital: Cimarosa, Giuliani, Mertz, Duarte (S). 11.15-11.55 Open University. 11.15-12.55 am Open University (for Scotland, Wales and Northern Ireland only).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental Travel Information. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 pm News. 12.02 A Small Country Living. 12.27 The News Quiz (S). 12.55 Weather. 1.00 News. 1.10 *With Great Pleasure* (S). 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre. 3.00 Medicine Now. 3.30 Enquire Within (S). 3.40 Novels Up To Now. The novel since the war. 4.10 Profile: A portrait of Ed Dubois. 4.30 Does He Take *Sugar?* 5.00 *Inside the Mafia*. 5.25 Injury Time (S). 5.50 Shipping Forecast. 5.55 Weather. 6.00 News, followed by Continental Travel Information. 6.15 Desert Island Discs (S). 6.55 Stop the Week Again. 7.35 Baker's Dozen: Richard Baker with records (S). 8.30 Saturday Night Theatre: "A Case to be Answered," by Jill Hyem (S). 10.00 News. 10.15 The Call of the Golden Rooster: Talk by Philip Short. 11.15 Lighten Our Darkness. 11.30 New Voices. 12.00 News. 12.15 am-12.23 Shipping Forecast.

VHF—3.40 Open University.

BBC Radio London

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News. 2.15 Weekend What's On. 3.30 Bob Powel's London Country. 9.00 News. 10.00 News. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 1.00 pm News. 2.00 Breakthrough. 4.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM. 10.00 Jellybone. 11.00 LBC Reports. ETA UItSETAOSHRDL LBC Reports. 4.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 LBC Special. 9.00 London Interview: Alan Patterson, curator of Chelsea *Physic Garden. 10.00 Nightline—guest.* Claire Tomalin. 1.00 am Night Extra. 4.0 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Solution and Winners of Puzzle No. 4,629

WINNERS:

Mr N. Salvesen, Capel Lodge, Beare Green, Surrey.

Mr John Short, Speaker's Office, Westminster, London, SW1.

Mr G. Shaw, 76, Abbey Road, Astley, Tyldesley, Manchester.

CHESS SOLUTIONS

Solution to Position No. 382

1 P-K6; QxP; 2 Q-R5 and Black resigned. The winning double threat is 3 RxR ch and 3 QxB.

Solution to Problem No. 382

1 B-B5, K-K4; 2 K-K5, K-Q4; 3 B-Q7 mate. If 1 . . . K-B6; 2 B-R5, K-B5; 3 R-KB5 mate.

COLLECTING

Two dragoon helmets and a lancer's cap c.1870 at a Harrison-Haworth Antique Dealers' Fair

GOLF

BEN WRIGHT

HOW MANY times have you fallen victim to the 24-handicapper in the monthly medal *who has his golden day*, breaks 90 for the first time in his life, and with a net score of nine under par 61 spreadeagles the field? If I had a pound for every time it has happened to me—very often also in pro-ams —when one has known before going out to play that a team score of 18 under is minimal if one is to have even an outside chance of a prize, I should have been able to retire in some style long ago.

Almost always the generally held attitude to the "culprit" is just that—the finger of suspicion is pointed unfairly, but squarely at him. Almost always he is accused of protecting his handicap by neglecting to register his best scores, playing off the championship tees in practice to ensure high scores, or some similarly heinous skullduggery.

So what is wrong with handicapping? For a start the British and American systems are poles apart in a game whose rules have finally achieved almost complete uniformity, which is quite ridiculous. What is even more stupid is that the Australians have a scheme of their own followed by New Guinea and Fiji, and the South Africans go another different way altogether.

In America the U.S. Golf Association has arrived at a system which is best administered by computer, but basically a golfer's handicap is arrived at by calculating 96 per cent of the difference between the average of the 10 best differentials in his last 20 gross *scores and the course ratings.* So if a player scores 103 on a course with a rating of 71 the differential is 32, and so on. The American club golfer is honour bound to record *all* his gross scores even in the most casual of games. But a recent survey startlingly revealed that only 16 per cent of American golfers possess an official handicap. So much for honour!

To complicate the system every every gross score is adjusted for "equitable stroke control." By this method a scratch or plus handicap golfer is not allowed to score more than one over par at any hole. So *if he takes a triple bogey or* three over par seven on a par four he must subtract two strokes from his gross. For those with a handicap from one to 18 inclusive the limit is two over on those holes with numbers below or equal to his handicap, and one over on the remainder. So if a 12-handicapper takes a seven on a par four, say the 11th handicap hole, he must subtract one stroke from his gross. Those golfers with a handicap from 19 to 36 are limited to three over par at the holes with a handicap number in excess of 18, namely at those holes where they are in receipt of two strokes, and a limit of two over on the remainder. From handicap 37 to 40 four over par is the limit at holes where the player is in receipt of three shots, and three over at the remainder.

Have I blinded you with science? Certainly the system is totally different from our own Standard Scratch Score method, which only counts scores recorded in competitions, and places golfers in three categories. Category One players range from plus two to four, Category Two from five to nine, and Category Three from 10 to *a maximum of 24.* Scratch players can only maintain that handicap by equalling or beating the standard scratch score in four out of 12 tournaments they must compete in during a year. *Handicaps are lowered at* any time during a season, but virtually the only chance of a move in the other direction comes at year's end, when handicaps are assessed for the *following year.*

Needless to say British handicaps are much lower than Amercan, and far less prone to fraudulent manipulation. In short you may win once with a "phoney" *handicap in Britain,* but you'll be unlikely to get a second chance. In my experience "hustling" is much more prevalent in America, particularly in pro-ams, whereas in Britain the Walter Mitty types try to hang on to a low handicap with a fervent, vainglorious zeal.

There are also Mitty types in America. A recent survey conducted by the Handicap Research Team under the direction of *USGA Technical Director* Frank Thomas came up with some incredible answers. Two hundred golfers claimed that their typical—yes, typical—drive travels more than 275 yards. Last year I presented a gold medal on behalf of the USPGA Tour to its longest driver, Dan Pohl, who averaged 274.3 yards for the season! Roughly half those 200 golfers actually claimed that their typical drives travelled in excess of 325 yards, with the mandatory big ball, mind you. Also in the 56 questions posed of these Associate members of the USGA—no fly-by-night group by any means—was a request to list their chief problems as golfers. Would you believe that poor putting was rated the easiest problem of all to *overcome?*

No wonder the world is so mixed up on the vital subject of handicapping which Joe Dey, one of the game's most revered officials, once wrote was *one of the four foundations of* amateur golf—The Rules, the Rules of Amateur Status, and the Rules for form and make of clubs and balls—being the others. Isn't it about time a uniform worldwide system of *handicapping* was evolved?

All the fun of the antiques fair

By JANET MARSH

EVERY WEEK, almost every day, somewhere in Britain there is an antiques fair. There were always the classic annual shows, like Grosvenor House, Harrogate and Chelsea, of course, but the proliferation is fairly recent. It is hard to put a precise date on it; but the craze for fairs grew up in response *to that mingling of nostalgia* and investment in the 1970s.

The very good times for the trade seem to be over; but the antiques fairs still show signs of persisting, with dealers seizing upon any means to combat the effects of recession.

After the mammoth Olympia Fine Art and Antiques Fair at the beginning of June there is a natural quiet season in the summer months when experience shows that people tend to be diverting money to their holidays. Just now, though, the fair business is getting into gear for its big autumn season.

There are, of course, fairs and fairs. Second in line to the big national events are the *smart provincial affairs* which take over the town hall or the ballroom of a big hotel for three or four days, with anything between 20 and 60 dealers exhibiting at individual stands.

Both exhibitors and the impresarios who run these fairs are resentful that the name "Antiques Fair" should be indiscriminately applied to the other sort, which they say brings the whole concept into disrepute. These are the one-day Saturday or Sunday set-ups, *run in any convenient hall and* at which anyone can take a stall for a few pounds.

They are, certainly, more for fun than profit. The stalls look as if everyone had raided granny's bedroom the night before. I can't resist these glorified rummage sales, and never come away empty-handed. Last week it was a fine provincial bookbinding and a 1907 coffee grinder that cost £7 and works like magic.

Such, of course, is not the stuff of the classy fairs; and it is easy to sympathise with their feelings when the word "antique" is so carelessly thrown around. Most of the serious fairs have strict (though not always infallible) vetting committees to try to maintain standards of condition and dating.

Most now accept an 1880 deadline for "antique," though the Olympia "Gold Section" remains with the traditional 1830 dateline for furniture. (This arbitrary age-before-quality distinction, which excludes, for instance, Morris or Godwin while taking in any old 18th-century shoddy, has always been controversial.)

The fair system has advantages for every side. The customer has a chance to compare the best of the stock of dealers from areas he would never normally visit, as well as local *traders, put on their mettle by* the outside competition.

On the dealer's side, his stand may well be seen in the course of three or four days by more *potential customers* than pass through an ordinary provincial shop in the course of an entire year. Moreover, visitors to a fair have shown their willingness to pay a pound or more for admission, as earnest of their serious interest in buying.

Some dealers find they can survive on a circuit of fairs alone, without any other retail outlets. Success, of course, will still depend on the attractions of stock and prices. Some happy dealers have been known to sell out their entire stands by the *second day of a show.* Others can be seen, from one fair to another, trailing around the same tired and over-priced array.

Turnover has to be good to make showing at a fair worth while. Real, fitting out the stand, hotels and travelling can cost between a couple of hundred pounds at a small provincial fair to ten times as much and more at Olympia. It takes stamina, too, to drive hundreds of miles in an over-stacked car *or van, and then without a* break to unload and dress the stand amid the chaos of 50 people trying to do the same. The porcelain dealer's nightmare, they say, is to be placed next to a picture dealer hammering nails into the flimsy partition between them.

Nobody knows for sure how many proper antiques fairs are functioning currently; but it is probably in the region of fifty or sixty. Some are individually operated by local groups of dealers or private entrepreneurs; *others belong to circuits* of a dozen or more fairs. Castle Fairs of York has 13 fairs, and regards the annual Border Fair at Alnwick Castle and the twice-yearly Antique Dealers' Fair of Scotland at Hopetoun House as the jewels in its crown.

Howison-Haworth, based in Lytham St Annes, has about the same number of fairs, mostly in the north. Last week the company mounted a new event in Newcastle; its autumn ventures include Ilkley, Castle Ashby, Blackpool and Harrogate.

Recession or not, there's always an antiques fair somewhere, with new ones starting up all the time.

There is, for example, the Kelso Fine Art and Antiques Fair. Optimistically described as annual, its chosen location is the Cross Keys, a magnificent old coaching inn that dominates *the main square of the town.* Idiosyncratically, Kelso settles on 1870 as its dateline, which will certainly preclude the £7 coffee grinder market.

Computerised "red book"

STAMPS

JAMES MACKAY

THE world-famous Gibbons *catalogues* have come a long way since 1865 when they made their debut as 2d price lists. In the past quarter of the 19th century the catalogue expanded rapidly and by 1897 it had become necessary *to divide it* into two volumes entitled *Great Britain and Colonies* and *Foreign Countries,* both retailing at 2s. Two years later the Board of Inland Revenue relaxed its regulations and, for the first time, illustrations of stamps were included. The 17th edition of the British catalogue appeared in 1905 in the black, *gold and scarlet livery* which was soon to earn it the nickname of the "red book."

In the next three-quarters of a century the "red book" has *undergone many expansions and* transformations. Now, in the 125th year of the company's existence, the "red book" will be launched next week in an entirely new guise. The new format, layout and contents have been made possible by computer type-setting. The page size has been increased to the international A4 (quarto) *format and, with a new, clearer* typeface, much more information is presented on a page making for greater ease of reference and a thinner volume —752 pages compared with 1,190 in the 1981 edition. As well as taking less shelf space the major advantage with fewer *pages is that the increase in* price has been kept to the minimum. This edition is priced at £13.50, an increase of only 8 per cent on the 1981 issue—no mean feat considering that the major change in publishing the "red book" was the resetting of the entire catalogue.

The computer system has *opened up infinite opportunities* for editorial revision, allowing the freedom to improve and update listings quickly and economically, to keep them abreast of the latest philatelic research. This flexibility had rarely been present in previous editions, where even the insertion of a new footnote could create problems when insufficient space was available.

Computerisation has provided an excellent opportunity for many additions and improvements in the listings. Following *the revision in the last edition* covering the stamps of Great Britain and the crowned-circle handstamps of the British post offices and postal agencies formerly operating in many foreign countries, similar treatment has now been given to the handstruck markings used *in countries forming part of the* Commonwealth. Brief introduc*tory notes give details of the* postal arrangements in these former colonies before the establishment of their own independent services and the introduction of their own adhesive stamps.

Extensive revisions have taken place in the listings of Great Britain, Australia, Bermuda, British Honduras, Canada, the Cook Islands, Cyrenaica, the Falkland Islands, India, Jamaica, the New Hebrides, Niger Coast Protectorate, North Borneo, Nyasaland, *Pakistan, St. Lucia* and the Seychelles

Traditionally the "red book" *is used internationally as a* barometer of current stamp prices. Although there has been a world recession and the value of the more speculative material has lately fallen considerably, the demand for fine stamps continues—a fact which has been underlined in recent auction sales in Britain, the U.S. and Western Europe.

The new edition reflects the upturn in the world market since the beginning of this year, though it is important to stress that quality is the keynote. In particular the early Victorian classics up to about 1870 are continuing to move ahead steadily, and this is reflected in an over-all increase of about 10 per cent. For example, the New Zealand 1d dull orange of 1858 in fine used condition has increased from £250 to £300, while a Canadian "beaver" 3d of 1851 is up from £425 to £475 *and the Ceylon 4d dull rose of* 1859 has jumped from £3,750 to £4,500.

Late-Victorian issues have increased by an average of 7.5 per cent. Typical examples include the Cyprus ½ on ½pi emerald green of 1886 unused, up from £120 to £140, and the Bahamas 1s green of 1865, unused, *which has increased* from £1,200 to £1,600.

As anticipated, the high-denomination stamps of King Edward VII and King George V have dropped back to more realistic and, I hope, more stable values, by the order of some 15-20 per cent, although there has been little or no change among the lower denominations. The Postal Union Congress £1 of 1929, whose value was inflated by speculators as high as £2,000 two years ago, has now fallen from a 1981 listing of £1,000 to £650. Although this is a big drop it is still above the 1979 catalogue level.

The stamps of King George VI and Queen Elizabeth have had a steady increase of about 10 per cent, pointing to the perennial and steadily growing in*terest in this relatively modern* field. In this area, however, the greatest increases have been in specimen overprints and the more prominent varieties, which show an average increase of 20 per cent. In the earlier issues similar specialist material has risen even more sharply. For instance, a Cyprus 1 pi black and red pair of 1934 with no perforations between adjoining stamps is up from £5,000 to £7,500, while the first series of Ascension, issued in 1922, with specimen *overprint, has increased from* £550 to £700.

CHESS

LEONARD BARDEN

THE SOVIET side has clearly got the better of the latest round of diplomatic and chessboard sparring in the run-up to the world title match. The International Chess Federation (FIDE) congress at Atlanta rejected President Olafsson's decision to postpone the start *till October 19 to give time for* Korchnoi's wife and son to leave the USSR.

The opening at Merano, Italy, was restored to its original September 19 but for what were politely called "technical reasons" (the harassed organisers have already had to contend with two major changes of plan) the first game will now be played on a midway date of October 1.

Meanwhile, FIDE issued a statement saying they had satisfactory assurances about the Korchnoi family from the USSR authorities at discussions in Amsterdam.

The authorities claimed they could not act on the family's emigration until there was an application from a near next of kin. But Korchnoi had already written an open letter to President Brezhnev before the 1978 match in the Philippines asking for his wife and son to be allowed out from the USSR, and the text was widely published then in the world Press.

Matters are also not well with him on the chess front. His marathon series of globe-trotting tournaments and exhibitions at age 50 has looked increasingly likely to burn him out before he meets Karpov. The crack *came last month* when he finished only equal third in the six-man double-round tournament at Las Palmas: Timman (Holland) 8 out of 10, Larsen (Denmark) 6½, Korchnoi (Switzerland) and Seirawan (U.S.) 6, Bellon (Spain) 2, Garcia Padron (Spain) 1½. Korchnoi lost individual games to each of the other three leaders, including this win for the rising young American:

White: Yasser Seirawan (U.S.). Black: Viktor Korchnoi (Switzerland). Sicilian (Las Palmas 1981).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4 PxP; 4 NxP, N-KB3; 5 N-QB3, P-K3; 6 P-KN4 (the opening has a touch of psychology; this is one of Karpov's favourite lines as White), P-KR3; 7 P-N5, PxP; 8 BxKNP, N-B3; 9 Q-Q2, P-R3; 10 O-O-O, B-Q2; 11 P-B4, Q-B2; 12 *P-B5, N-K4; 13 P-KR4, O-O-O;* 14 B-R3, R-K1; 15 Q-B2, K-N1; 16 K-N1, B-B1; 17 KR-N1, N-R4; 18 P-R4, P-KN3; 19 P-B6

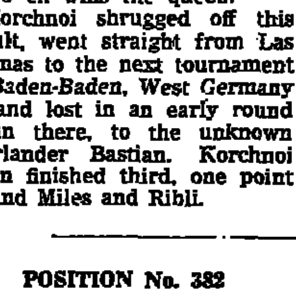
(White has established a permanent bind on the king's side. Korchnoi fights back tactically), B-Q2; 20 N-N3, B-R3; 21 B-KB 1, R-QB 1; 22 B-K2, BxB; 23 PxB, BxP! (only a temporary piece sacrifice); 24 NxB, QxP ch; 25 K-R2, R-B5; 26 R-Q4, N-Q6; 27 RxR, QxR; 28 Q-Q4, N-N5 ch; 29 K-N1, Q-B7 ch; 30 K-R1, QxN; 31 QxP ch, K-R1; 32 N-B3, R-QB1; 33 B-Q1, N-B7 ch; 34 BxN, QxB; 35 R-Q1 (Korchnoi is a pawn up, but the pressure on his game remains. His next move allows the white rook to enter and win by force), P-K4? 36 R-Q5, N-B5; 37 R-B5, RxR; 38 Q-B8 ch! K-R2; 39 QxR ch, K-R1; 40 Q-QB8 ch, Resigns. For 41 N-N5 ch wins the queen.

Korchnoi shrugged off this result, went straight from Las Palmas to the next tournament at *Baden-Baden, West Germany* — and lost in an early round again there, to the unknown Saarlander Bastian. Korchnoi again finished third, one point behind Miles and Ribli.

Meanwhile a major event of the home season begins on Monday when the British Championship, sponsored once again by stockbrokers Grieveson Grant, opens in Morecambe. The entry has remarkable strength in depth, including one grandmaster (Speelman), eight IMs, five FIDE masters, and a host of aspiring juniors. An intriguing ques*tion is whether Nigel Short,* beaten only by tie-break two years ago, can now go one better and become Britain's youngest-ever champion at age 16.

POSITION No. 382

BLACK (10men)

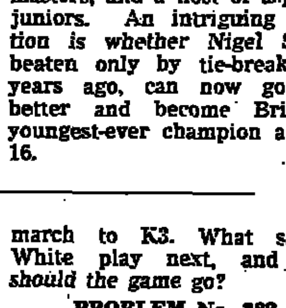


WHITE (10men)

Gufeld v. Giorgadze, Tbilisi 1961. White (to move) is clearly on top because of his united passed pawns and attacking rooks. Black has countered by setting up a blockade which he plans to strengthen by a king march to K3. What should White play next, and how *should the game go?*

PROBLEM No. 382

BLACK (1 man)



WHITE (5 men)

White mates in three moves, against any defence (by R. F. Fegen).

Solutions Page 10

BRIDGE

E P. C. COTTER

THE EUROPEAN Championships, staged again after an interval of six years in this country, were held at The Grand Hotel, Birmingham. In the Open Series the Polish team ran out convincing winners, but the British men finished creditably in second place.

In the Ladies Series the British team, always well placed, won the championship, and thoroughly deserved their victory. Both today's hands are taken from their match against Spain. Early *on* in the match the British girls found themselves trailing by some 27 IMPS, and the two hands that follow show the aggressive tactics used when points were needed.

Here is the first dealt by West at a love score:

N
♠ J 10 5
♥ K 5
♦ 9 4 2
♣ A Q J 9 4

W
♠ A 7 4
♥ Q 6 4 2
♦ A J 6
♣ 7 5 3

E
♠ Q 9 8 3
♥ J 10 8 7
♦ K 10 8 7
♣ 8

S
♠ K 6 2
♥ A 9 3
♦ Q 5 3
♣ K 10 6 2

In one room the hand was *passed out, but after three* passes the British South opened with one no trump on her modest 12 points, and North raised to three.

West led the two of hearts, which was won by the King on the table. Prospects were not bright, but the declarer cashed five rounds of clubs, throwing a heart from hand. Discarding caused some difficulty for the defenders, especially East, but it was West's discard of two low spades which gave South her chance. She led dummy's knave of spades at trick seven. East covered *with the Queen,* the declarer ducked, and West had to win with her Ace, just as South had hoped. Now there was nothing the defence could do to defeat the contract, for *South had two spades, two* hearts and five clubs on ice. That meant a plus score of 400 points and a gain of 9 IMPS.

The second deal was a freak, but curiously enough the bidding in both rooms was identical:

N
♠ —
♥ A
♦ 8 4 3 2
♣ J 10 9 8 7 4 3 2

W
♠ A K 10 9 8 5
♥ K 7 5 2
♦ —
♣ A K 6

E
♠ J 7 4
♥ Q 10 9 8 6
♦ K 10 9 5
♣ 5

S
♠ Q 6 3 2
♥ J 4 3
♦ A Q J 7 6
♣ Q

East dealt with neither side *vulnerable* and pased. South bid one diamond, West doubled, North jumped to five diamonds, and East's double concluded the auction.

When West led the Ace of spades, the declarer could see that, with all the missing diamonds probably in East's hand, the opponents could make six hearts, so that the penalty incurred would *be in a good* cause.

Ruffing the opening lead on the table, declarer returned the two of clubs, and West won with the King. West continued with *the King of spades, which* was a mistake. This was ruffed in dummy, and the Knave of clubs was played. On this East threw her Knave of spades, and declarer ruffed. She returned the Queen of spades, throwing a club from the table. East ruffed, and returned a heart to the Ace. She should, of course, have led back a trump. A club was ruffed in hand, a heart was ruffed in dummy, and another club was led. East ruffed. South overruffed, and led her last heart. Ruffing on the table, South returned another club, East ruffed, and South overruffed, and drew East's trump King with her Ace. By this time West, convinced that she must keep her heart King, had discarded her last spade, and the declarer's six was now good. The contract was made for a plus score of 550. This, added to the 500 penalty gained in the other room, gave Britain a gain of 14 IMPS.

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Saturday August 1 1981

A week of good news

AS THE streets of London were cleared of flags and bunting left behind by a million well-wishers for the Royal Wedding, the first half of Mrs Thatcher's parliamentary term drew to a close this week. Despite the wedding celebrations, it can hardly be said that the parliamentary year has ended on a festive note, either for the Conservative Party or for the nation as a whole. But some of the economic events this week should give Tory MPs joining the holiday-makers streaming out of London yesterday some grounds for hoping that the next two years of Mrs Thatcher's parliament may be less uncomfortable than the last.

On the domestic front, three announcements this week symbolise, in their different ways, the most serious pitfalls into which the Government stumbled in its first two years of office and which it is now finding ways to avoid.

Inflation-proof

The decision to extend eligibility for index-linked National Savings from the over-fifties to the whole population, was one of the financial reforms which advocates of the Government's approach had been urging for years. Along with the issue of index-linked bonds to pension funds after the March Budget, this step could help to avert many of the funding difficulties which have dogged the Government's strategy from the start. It cannot now be long before the development of index-linking in the financial markets is carried to its logical conclusion and inflation-proof gilts are made available to investors other than pension funds.

The possibility that a shift away from fixed-interest financing by the Government will lead to a revival in the industrial debenture market, and an improvement in the climate for fixed investment, is perhaps somewhat more distant. Domestic flows of funds are at the moment less crucial than international factors in the determination of interest rates. But, eventually, the decline in the underlying level of public borrowing combined with the improvement in the funding methods should help to put British industry on a sounder financial footing.

Job subsidy

Another radical step in a different field was the job subsidy for employers willing to take on young workers at wages of £40 a week or less. Although the practical impact of a reform like this will necessarily be more limited than the sweeping extension of the Youth Opportunities Programme, announced at the same time, its psychological significance could be great. For the first time, the Government has decided to give practical effect to its contention that excessively high wages and distorted wage relativities, are at the root of Britain's unemployment problem. In time, this scheme may help to drive home to unions and employers that unrealistic wage levels tend to put those who are most vulnerable out of work. The lack of protest from unions when the scheme was announced suggests that the message has already begun to sink in.

The week's third hopeful sign was the settlement of Britain's longest ever industrial dispute, between the Government and the civil servants. The settlement gave both sides something of what they had wanted, since the civil servants did succeed in extracting a promise of arbitration for next year's pay award. But the overwhelming impression which the dispute has left behind must be that the Government now has a clearer policy on public sector pay and that this policy will be adhered to even in the face of industrial disruption. After the Government's surrender to the miners in the spring, the futile and exhausting civil servants' dispute may have done something to remind union negotiators of the costs of pursuing industrial action in terms of both money and morale.

Moral support

Meanwhile, overseas, the success of two very different governments in implementing their own policies against considerable political odds has helped to give some substance to Mrs Thatcher's assertion after the Ottawa Summit that her economic strategy was of a type that now commands wide consensus among the leaders of industrialised nations. President Reagan's tax cuts package may make life more difficult both for his own economic managers and for those of other countries, but the continuing popularity of his economic strategy in America must give the British Government a certain moral support. Chancellor Helmut Schmidt's package of public spending cuts, on the other hand, should assist the gradual readjustment of fiscal and monetary policies round the world. It shows that much of Mrs Thatcher's economics is less politically dogmatic than her opponents often claim.

None of these hopeful indications for the Government can do much in the short term to counter the dismal economic statistics being issued almost daily. Indeed there are some within the Conservative Party who are already inclined to concede defeat in a general election which is still two or more years away. But it is worth remembering that a Government which was bent on difficult and radical reforms was bound to need radical policies to succeed. At last such policies are now beginning to be put into effect.

Terry Kirk

A bleak season for Britain's seaside resorts

Sunshine and showers for Britain's tourist industry

By Arthur Sandles

AND NOW the good news. Britain is all set to outperform her major tourist destination rivals both this year and next. While the French, Italians, Spanish and Americans sweat over a downturn in their overseas receipts Britain could well hold traffic overall to the 1980 level and, as far as Americans are concerned, show major growth.

The surprisingly strong performance of the domestic market in attracting foreigners is a small crumb of comfort which, as in other fields of consumer products, must be set against a still worrying picture overall: recession battered Brighton hoteliers may not be overcheered by the fact that their Rimini counterparts are faring even worse; British spending overseas has soared and may well still send our tourism account into deficit; and the lower end of the travel market generally, an area where many traditional customers are now without work, is having an abysmal time.

But, for one week at least, it has looked as if someone up there loves us after all. The most remarkable thing about royal wedding week was surely that the sun shone. For those lining the route, for those riding the horses and, most of all, for the royal couple themselves such summer brightness in what had so far been a singularly unsummery season was a delight.

For the British tourist business it could prove a much needed bonus. For much of the day the world's television channels were dominated by scenes of a festive London, and a London shirt-sleeved and summer frocked bathing in sunshine.

With the added push that the royal wedding has given, Britain may be unique among the major travel countries in having a relatively healthy international travel year. The key words are "relatively" and "international." Britain may just about match its 1980 numerical totals for foreign visitors, but there is little doubt that receipts will fall in real terms. This is better than most other countries can expect. The international aspect is important to stress because domestically — the business of selling Britain to the British—the scene has been near disastrous.

Hoteliers, particularly at the budget end of the business selling rooms at say £10 a night or less, have been very badly hit by the fact that the British worker is simply not travelling this year. Last year some 2m fewer Britons holidayed in the UK than in the year before and there will be plenty of people to tell you that the fall has been greater this year — Torquay down 40 per cent, Scarborough down 30 per cent. In a market which only totals around 60m trips in a good year, and which may see nearly 13m visits abroad in 1981 a fall of say 5m over two years is serious.

The problem for the hotelier aiming for the lower end of the market, and this includes seaside landladies and bed and breakfast houses, is that it is the budget sector of the European market which has also declined. There are far fewer French, Dutch and Germans cruising the roads of Britain looking for camp sites and bed and breakfast accommodation. "The ones that are coming have not got as much money as they had last year," said a South Coast landlady. And a couple renting out holiday flats doing b and b in the Yorkshire Dales commented ruefully: "There is no passing trade this year. The bookings we have got are from people who have been coming every year."

A hotel is one of those commercial enterprises where the line between success and failure is a narrow one. So great are the fixed costs in relation to the total business that a short drop below planned break-even (say a year round 30 per cent of rooms filled against a planned 35 per cent—in a major city those figures might be 65 and 60) can produce financial implications that are horrifying. The owner of a 90-roomed West Country hotel last week confessed he was facing a nerve-racking meeting with his bank after years of never having borrowed money.

Apart from unemployment and lowered living standards—domestically and overseas—Britain's real problem has been its expense. With the pound at $2.30 or more, and an inflation rate around the 20 per cent mark, Britain achieved an unrivalled image for expense—an image which is now receding very rapidly.

Tour operators pare their margins to the bone

LIFE might have been made easier for the Britain's hoteliers if the better off British had decided to holiday at home. In fact they chose to go overseas.

The number of package tours on offer this year is estimated by the Civil Aviation Authority at 6.7m, a rise of 8 per cent over the total offered last year. The amount offered and the number taken are not the same of course. This year's total shelves probably contained sufficient stock to allow for a 15-20 per cent rise in overall business. The market has continued to rise this year, but by no means by the amount some operators were hoping for.

The British spent £5.9bn on travel last year, and £3.5bn went on foreign travel—although not all of that was a currency loss to the UK since much of it went on British airline seats. Of the 17.46m departures from Britain by UK residents last year (up 13 per cent on 1979) probably something over 12m was holiday travel and a little under half that was package tour traffic.

The surge in foreign holidaying last year thrust the tour operators into lush profit pastures. Horizon saw its profits in 1980 rise to £7.38m compared with £3.82m in 1979. Intasun produced £10.3m against £2m. The top 30 companies combined did not do as well as these major high flyers might suggest but they did turn in £43.3m, or 17 per cent more than the year before on a turnover that had gone up by 31 per cent to £906.9m.

Clearly the sting is in the tail. Margins have been narrowing as the battle for customers goes on. The average profit on a package tour last year was 4.8 per cent, compared with 5.4 per cent the year before. "This trend in profit margins is indicative of the pressure due to competition being exercised in the travel industry," says the CAA.

With the planned increase in capacity against an overall recessionary background it did seem that the margins were getting perilously dangerous if the industry were to face some major catastrophe, such as civil disturbance in Spain or enlarged Middle East fighting.

In fact the problems came much nearer home. The impact of the Civil Service dispute on airlines has already been demonstrated by the woeful financial statements coming from British Airways. The tour operators may not have been hit as badly partly because the airlines they own operate heavily out of airports not directly in the Civil Service firing line—notably Luton.

But when the profit on a £200 tour is only £9 then the scope for giving customers free meals when they are delayed, for paying coach drivers who have to wait at overtime rates, and for having expensive jets simply sitting around, is severely limited.

No one is going to say they have had a bad year. Indeed Thomson, Intasun, Global, British Airways and Thomas Cook are all keen to say things are going better than expected. Global claims a 40 per cent rise in summer package business and has put on additional flights.

The markets that have suffered have been the U.S. and Italy particularly. This year, nonetheless, will see around 1.4m Britons going to the U.S., probably keeping the British ahead as the single largest overseas market for the American tourist business. The Japanese market has been hit by the rise in the value of the dollar against the yen and by air fares which are markedly higher between Japan and the U.S. West coast than are those between the UK and its eastern seaboard.

Britain's enthusiasm for Spain has remained undiminished, and particularly enthusiasm for the Balearic islands. The way in which British tourists have flocked to Ibiza and Majorca has caught even the Spaniards by surprise. It had been assumed that the British would not fulfil their boastful promises about bookings and several hoteliers took provisional bookings never believing that the British would actually arrive. They have done, and there have been odd outbreaks of the traditional overbooking problem.

But what has really upset the tour applecart this year has been the trend towards late bookings. Most of Fleet Street was advising its readers that there was no need to book early this year since there were so many holidays around. The tour companies were furious at this and have been belabouring travel writers about the fact ever since. There has been a sudden rush of late bookings recently and, unless the customer has been highly specific about destination, there has indeed proved to be the spare capacity around.

For the immediate future most companies are placing a great deal of reliance on low prices for the 1981/82 winter market and 1982 summer. There have been a proliferation of price guarantees of various sorts, perhaps the strongest being the Travel Club's pledge that its brochure rates are the prices it will charge—no surcharges and no discounts. The one generally agreed bright spot is winter sports, with a considerable increase in capacity and optimism now that Austria and Switzerland are nearer the British purse again.

In the tour operating league table the major trends recently have been the growth of Intasun and the shrinking of Cosmos. Thomson has remained the giant, nearly twice as big for example as the tour operating activities of British Airways. Horizon and Intasun are (in terms of licensed capacity) much the same size as each other with about 360,000 licensed holiday capacity. Cosmos's capacity this year is 276,000 compared with 342,000 in 1979 when Horizon had a capacity of 304,000.

The two companies which obviously planned 1981 as their great leap forward year were Thomas Cook, which planned to go from 106,114 to 138,408 and Ellerman with a planned rise from just over 100,000 to more than 154,000.

Early summer estimates were that in spite of the increase in capacity the rise in traffic was probably less than 5 per cent—remarkably high given the market conditions, but worryingly low in relation to total capacity. When the chickens come home to roost there may be some fascinating, if sad, stories to tell.

Letters to the Editor

Electricity

From the Deputy Director General, Chemical Industries Association

Sir,—In her comments (July 29) arising from the recent report of the Select Committee on Energy, Ms Cameron compares UK industrial electricity prices with those in Los Angeles and New York. A more relevant comparison is with those regions in the U.S. and Canada where there actually are heavy industries, and where industrial prices are no more than one-third and may be as low as one-tenth of those in New York and LA.

In fact, industry in the UK has not made a major issue of electricity price comparisons with regions (such as parts of North America) which have very cheap coal or hydro-electric resources. The most relevant comparisons are with our EEC competitors — who have far poorer natural energy resources than we in the UK. Data now available for July 1981, which take full account of movements of sterling and recent tariff price increases on the Continent, show that for a typical medium-sized chemical industry user (10 Mw), West German prices are 70 per cent of those in the UK and French prices only 63 per cent. For a 40 Mw user, West German prices are 65 per cent and French prices no more than 57 per cent of the UK level; for the largest consumers, the comparative UK position is even worse.

Turning to the future, whatever the Select Committee may advise about average costs as a basis for energy pricing, present UK Government policy is to look to long run marginal costs and — where trade is significant — international market prices, as the basis. It is thus surprising that the recent Electricity Council medium term development plan makes absolutely no mention of long-run marginal cost forecasts. This contrasts with corresponding papers from the Electricite de France and French Government which give firm estimates based on LRMC principles for the period to 1995. Is it too embarrassing to Government and the supply industry to publish such data for the UK? And would it be even more embarrassing if such data were to show the disparities between the assumed price of UK coal — our primary fuel for electricity — compared with the price expected for coal in the international market?

If UK electricity-intensive industries are to survive, the question is not whether the supply industry should charge uncompetitive UK average costs or even more uncompetitive UK long run marginal costs, but whether it should offer prices which are competitive in the context of the EEC and world markets in which British industry operates.

P. G. Caudle.
Chemicals Industries Association,
Alembic House,
93, Albert Embankment, SE1.

Monopoly

From Mr J. de Rivaz

Sir,—On July 25, savage increases, some up to 250 per cent, in telephone charges were reported. Earlier another report mentioned that some customers were having their telephones removed in face of previous rises. Instead of becoming the white-hot technological growth industry of the future, British Telecom looks as though it is going the way of British Rail and the nationalised buses.

One possible solution would be, instead of funding capital expenditure from income, to borrow the capital from users. This would make the industry truly publicly owned, as opposed to a monopoly privately owned by the Government. Telephone bonds could be issued that, instead of paying a dividend, allow owners so many free dialled units per year, and likewise for other recurring charges. That way, purchase of telecommunications facilities would be a capital expense similar to purchase of other electronic products, such as television sets and video recorders. Although there have been upheavals in these industries, they have not declined like British Rail or the buses. For this is the fate of the telephone system if it pursues its present policy.

John de Rivaz.
West Towan House,
Porthtowan,
Truro,
Cornwall.

Telephones

From Mr D. Wilkins

Sir,—The announcement that British Telecom is substantially to increase telephone charges from November 2 epitomises the burden which has been carried by British industry for so long and is now coming home to roost in the form of unemployment. That is that efficient businesses are saddled with ever increasing impositions from badly managed, overmanned public sector monopolies and cannot themselves due to competitive pressure and shrinking markets pass on the increased costs.

I know a small company employing 40 people whose telephone bill is around £30,000 per annum. The proposed increase of 43 per cent for a local call in the peak period or 61 per cent at the standard rate plus the increases in rentals will put an extra £10,000 per annum on to the bill. In order to stay in business it may have to declare redundant some more of its staff so as to be able to pay British Telecom.

And so it goes on, the public sector, government departments, local authorities, nationalised industries and the labour monopoly, the unions sail on, demanding more for doing less. Private sector employees join the ranks of the unemployed because their companies cannot afford them in addition to the increased costs. The current inflation rate is now mainly caused by the public sector.

If Mrs Thatcher loses the next election it will be because she has failed in her first two years to recognise and eradicate the disease. Now she has no time left. Unless today she disallows any price rises by public monopolies.

D. C. Wilkins.
42, St Winefrides Road,
Littlehampton,
Sussex.

Jobs

From the Pro-Rector, Polytechnic of Central London

Sir,—Surely the best sort of job creation is that where there is no question of job displacement, i.e. the creation of jobs overseas for UK nationals, particularly where these posts are associated with aid-related work, e.g. education.

There is increasing scope for higher education institutions to create opportunities for overseas service to assist developing countries in the building up of their education and training services, but in doing so these institutions are competing with European and American institutions backed by government aid agencies in the form of either direct funding of staff posts or soft loans, while a UK institution finds the greatest difficulty in getting any such assistance. It may receive valuable advice and help from British Council, from embassies and High Commission staff, but when it comes to the contract with the developing country's Ministry, UK institutions have to compete unaided with substantially subsidised bids from other nations.

Combining therefore comments from Samuel Brittan's article (July 16) and Edward Holloway's letter of the same date, could we not at least establish a mechanism whereby the notional "cost of unemployment" (£70 per week) on the current Treasury estimates is refunded to any institution which demonstrates that it has created directly an overseas employment opportunity for UK citizens?

This would probably have to be restricted to those employments where the nature of the post is linked to aid (e.g. education and training, technology transfer etc.) so the Government is not seen to be unfairly funding commercial contracts. It would provide a valuable incentive to the academic world to export teachers and trainers rather than to import students and would do much to ease the present embarrassments of those of us working in this area as representatives of the only nation in an international venture which is not directly offering some aid to the developing country concerned.

J. S. Webb.
The Polytechnic of Central London,
Red Lion Square, WC1.

Markets

From the Chairman, Bowthorpe Holdings.

Sir,—What a load of clap-trap was said by Eric Heffer regarding Labour's intention to pull Britain out of the Common Market.

He said: "The biggest risk is to pick up our old markets, but this can be offset by a vigorous policy of trading on world markets."

What the hell does he think British industry and commerce has been doing for years and years: sitting on their backsides? And how better will results be achieved by being on our own? Go cap in hand to non-members and say: "Sorry, chums, we made a mistake, give us another chance!"

Let's continue to go both ways and feed both markets and enjoy the preference which we have in the EEC.

R. A. Parsons.
Crawley, West Sussex.

Alcohol

From the General Manager, Norwich Union Insurance Group

Sir,—The research director of the Advertising Association has been quoted as having said that "Insurance statistics and research evidence show that the moderate consumption of alcoholic beverages is actually physically beneficial." So far as the insurance statistics are concerned I was surprised to see this as I did not know of their existence, and quite frankly I do not know how such statistics could be collected with any prospect of a reasonable degree of reliability. Exhaustive searches have confirmed my impression that there are no such statistics.

V. W. Hughff,
Norwich Union
Insurance Group,
Norwich, Norfolk

Pay

From Mr J. Sutherland

Sir,—You really have to admire the cool effrontery of the dignitaries of the Bank of England as they exhort us peasants to settle for negligible pay rises.

In the Bank of England last year the number of people paid over £30,000 rose from nine to 65, and average salaries shot up by 33 per cent. Yet those very same people complain their pay is lagging behind that of the clearing banks. Are they jealous because they have only 239 chaps earning over £20,000, when the Midland has more than 900 in this bracket, and Lloyds over 700?

J. D. Sutherland.
41, Westella Way,
Kirkella, Hull.

Language

From Mr P. Longton

Sir,—I endorse the remarks of P. D. Rowe (July 28). The media (?), particularly with reference to sport, has much to answer for. In addition to the appropriation of "squad" from the military, one constantly sees and hears references to "call-up"—which in the past had an exclusively services connotation—and to "skipper"—once a naval term.

Other annoyances: use of "result" when meaning win ("hope to get a result") and "scoreline" instead of score.

Philip H. Longton,
57, Hale Road, Widnes,
Cheshire.

Carla Rapoport reports on the mounting competition to sell water to the British

Why the bottled-water market is bubbling

ANY MARKET that quadruples in size in three years is bound to look seductive. Add in a product that comes out of the ground for free and it all begins to look irresistible. But before anyone else starts pricing empty bottles in bulk, take heed: bottled water has turned into a cut-throat business. While growth rates are better than for the beverage industry in general, margins are thinning rapidly in a business that is attracting new competitors like flies.

Bottled water has enjoyed mixed fortunes over the years. For decades, publicans dished out domestic waters, such as Malvern, free to customers ordering the harder stuff. No doubt more than a few were guilty of filling the empty Malvern bottle from the tap before opening hours.

As for the imported trade, you needed a "divining rod to find it and a cheque book to buy it" according to one of those in the business in the early 1970s. In 1974 market wisdom still dictated that bottled water was bought mainly by "cranks and foreigners" and held little prospect for development in the UK.

The market really cracked in 1976 with the long summer drought. Safeway's own label, Isabelle did booming business that season and cornered almost all of the new sales. Within two years, the market had doubled in revenues and volume (see chart). But Safeway's supremacy was short-lived and it didn't take long for another French import to take hold.

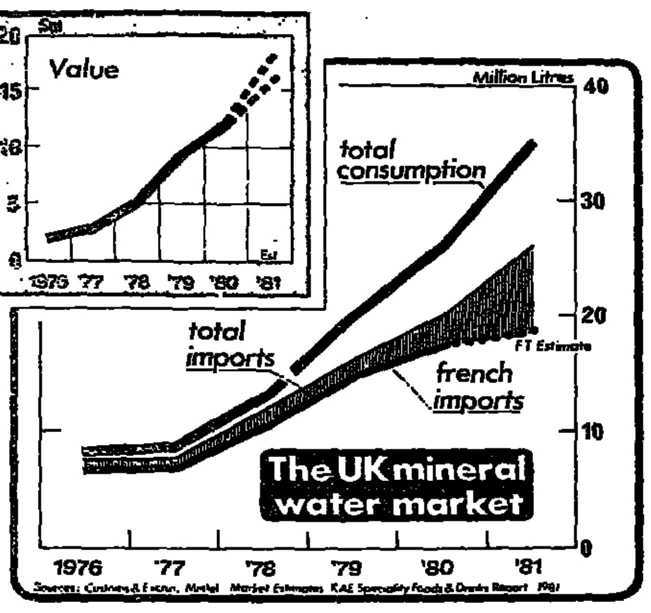
With its now familiar green bottle—developed by Sir St. John Harmsworth (brother of Lord Northcliffe) who owned the spring from 1903 to 1933—Perrier's fizzy water and classy ad campaign created a product that became the Xerox of its trade.

By 1978 Perrier and Evian the world's leading seller of still mineral water, had collected 80 per cent of the booming UK market. But in 1979 the market began to shift, from the high margin catering trade to more of a supermarket, cash and carry and off-licence business. Increasing health awareness aided this sector of the business and bottled water—sparkling and still—soon became a see-through version of baked beans to supermarket buyers. Own-labels multiplied, as did, finally, a host of domestic waters prepared to get their own back from the French. In the past two years the competition has heated up with the result that there has been steady slippage in imports of foreign waters. The market's size this year—somewhere around £17m—is a point of hot debate but it is still doubtful whether long-term growth can cope with all-comers.

Nestlé came to the market in 1979 with Ashbourne, a carbonated British water which has snapped up 10-11 per cent of the market. Ashbourne's sales success is thanks to Nestlé's well-developed distribution network and its relatively low price. Since that time, a bevy of new brands have followed in rapid succession, each claiming to be the next Ashbourne. These projects include two brothers abandoning plans for a trout fishing development in Hampshire to bottling the water instead—giving birth to Ashe Park. Highland Spring, which is owned by a Swiss-based consortium, got backing from the Scottish Development Board, while others have been wheeled out by the big guns.

In this last category is Kristal, a Belgian spring water launched by Coca-Cola at a cost of £350,000 and Malvern, re-launched this summer with a £500,000 promotion budget by Cadbury Schweppes. To add seasoning to this domestic fervour, Spa Monopole, a premier Belgian brand, joined the market last year with Spa bottles and cans. Media spending for the sector has grown from £1.3m last year to an expected £2m this year.

The fight is not a well-mannered one. Highland Spring, the Scottish brand, openly advertises such slogans as keep the "frog on the hop" or "say non non to oui oui." Meanwhile, its competitors spit that Highland Spring is dumping its water and destroying margins for the industry. Highland claims to be "competitively priced" and aiming at volume growth. Recently, the company landed a contract with Unigate to supply water along with the morning milk in selected parts of London. To kick off the programme, residents in four depots did get a free bottle: enough decided to order further bottles that the scheme has been extended to 14 London locations.



Brana Radovic

The next hissing point is bubbles. Ask Perrier how the bubbles get into the bottle, is a frequent challenge. In response, Mr Julian Bowes, managing director of Aqualac which markets Perrier in the UK, will produce a 30-page report full of geological details and references to woolly mammoths and the "famous pontian regression."

It turns out that the bubbles are trapped separately from the natural water and put together at a later stage to guarantee uniformity in fizz. Mr Bowes points out that no naturally sparkling water exists in the UK.

Each water seller has its particular claim—the purest, the healthiest, the oldest, the safest. Spa, for example, says its water can be poured into your car's battery. Vichy touts its high mineral content. All this must be balanced against a report in the U.S. magazine Consumer Reports last year that ranked New York City tap water as better tasting than nearly all its bottled competitors. Large department stores quickly put the tap water on sale, and have found a steady, if small market for it in their novelty section.

It is next to impossible to determine why people buy bottled water—it is claimed to be healthier for you, but market research shows that parents don't buy water for their children. It is clear, however, that Britons drink less of it than their EEC counterparts. The French consume some 50 litres per capita in a year, followed by the Belgians with 46, the Swiss with 37, and the Germans with 32 litres. The British consumer swallows less than 0.4 litres a head, supposedly because of the well-developed tap water system.

Water distributors like to claim that the water we drink has been recycled three to seven times; however, reports supplied by the Thames Water Authority show that treated water is more than 99 per cent free from impurities. It does, however, contain a variety of chemicals which could drive health-aware consumers to bottled water.

Evian, however, sees another market. "At the moment, everything is changing rapidly and the only consistency is no consistency. Buyers operate with no strict rationale — do they want low prices and volume or higher prices and more advertising support? At the moment it is a difficult, developing market, with everyone hoping the new investment will push it outward," says Mr Richard Foulsham, director of Evian Agencies, an Evian subsidiary in turn owned by BSN-Gervais Danone. As to his domestic competitors: "They're certainly not making any money. We're just sitting here watching them wash through."

"British people prefer British," sniffs Mr Richard Skelly of Highland Spring. He says their still water is priced about 10p below Evian's and claims that this year his brand will outsell Evian in the grocery trade.

Perrier needs to keep its chin up because its market share appears to be slowly sliding, in the UK. It has also come off the ropes after a bashing in the U.S. market. Bottled water in the U.S. took off in much the same way as the UK spurt in 1976-78, but of course on a grander scale. Growth for the overall market has now stabilised at a healthy 20 to 25 per cent a year with sales this year estimated at about $400m.

The American Bottled Water Association says that one out of every 20 Americans now drink bottled water of some kind, while in California, one out of three people drink bottled water. Perrier pioneered this market and enjoyed something like an 85 per cent share in sparkling water. However, a blind taste test in 1980 placed Canada Dry's club soda ahead of Perrier, prompting Norton Simon, which owns the brand, to take gleeful aim at the French product with a backing of an $18m advertising budget. Canada Dry has come up with some 10 to 12 per cent of the market this year.

Perrier in the UK admits to a falling market share this year, but predicts a total market of £20m and a ten-fold increase in per capita consumption within the next ten years. Mr Taylor at Ashe Park hopes that the growth will benefit British bottlers and is pushing for an alliance between the UK brands. "Im fighting Ashbourne and they're fighting me and we're both fighting Highland Spring. We need to get together and fight the French," says Mr Taylor.

Spa is hedging its bets by pushing a light-tasting line of soft drinks as well as bottled water under the Spa label. The brands. "I'm fighting Ashbourne Mr Anthony Vaughan Arbuckle, says consumers in general are switching to lighter products with less sugar, less alcohol and eating less.

RETAIL PRICES

Own-label carbonated spring water (1.5 litres)	34p
Own-label natural spring water (1.5 litres)	25p
Perrier (1 litre)	46p
Highland Spring sparkling (90cl)	36p
Highland Spring natural (1.5 litre)	26p

Source: Sainsbury's

With Coca-Cola's promotion for its new brand, Kristal, which began three weeks ago the late summer promises to be a hot one for water distributors. Perrier, which is presently distributed by Bulmers, is anxious to have as aggressive a sales network as possible now that Cadbury-Schweppes, with its more sophisticated network is in hot pursuit with its re-launch of Malvern.

Margins are sure to be stretched to the limit as the bottled water companies battle for shelf space. Within a year, there promises to be a fair amount of broken glass about.

Weekend Brief

The morning after the Day before

The clearing up begins

Publicans say that business was good but not helped spectacularly by the Royal Wedding. The busiest time for the country's 75,000 public houses was the night before, but for the day itself there had been a boom in take-home sales of "TV drinks," from grocery chains.

Some pubs in London areas with a large bed-sitting-room population did very well on Wednesday. Some others in London did not—in spite of a TV set in the bar, lower prices, and in at least one case an offer of a 10 am breakfast of bacon and eggs at cost price, and free snacks for a fancy-dress party in the evening. Just before closing-time, there were about 30 people in the saloon, one wearing a Christmas paper-hat, another a tiara, and an Australian barman in red tights, blue mini-skirt and a "Royal T-shirt" with sewn-in red flashing lights. That was all the fancy dress.

But a City pub near St. Paul's had its memorable moments. A State landau, having dropped its royal guests, stopped outside the bar and a weary postillion—no doubt up since the crack of dawn and very thirsty—dipped his hand into his scarlet breeches and called through the open doors for a pint. By the time it and his change had arrived—some of his colleagues were already inside—he and the carriage had been moved on by the police. The man who had fetched the pint drank it himself, and popped the postillion's change into the pub's swear box. (Incidentally, one spare State carriage was housed in the FT's car park, in case one of the others lost a wheel. Sadly, it was pulled not by horses but by a Land Rover.)

Round the world 800m people, or thereabouts, saw the horse bolt in Trafalgar Square, but unrecorded was the poor chap thrown off near the FT when his horse shied. A friendly bobby caught the bridle before the horse took a canter. The cavalryman, shaken but apparently uninjured, seemed more concerned that his shiny black riding boots might have been scratched by the sand on the road.

Pubs may have suffered, but street parties kept the day going. One, in a Hammersmith terrace, went off like an old Ealing comedy, thanks mainly to Janet—an ITV assistant stage manager in a red, white and blue bowler hat, who gave the whole affair as much dedication as if she were hosting the next episode of Coronation Street.

In command on rostrum, mike in hand, Janet organised beautifully. "And now the choir," she bellowed, and a mixed bag of residents, some wearing nothing but swimming trunks, formed up on the rostrum as the sun sank behind the nearest pub. What, we thought, is coming now — and we were treated to a beautiful rendering of Land of Hope and Glory, in which everyone joined — those who weren't weeping, at any rate.

"Now its 9.30," shouted Janet. "We have promised the street will be clear by midnight, so let us remember what this is about, sing God Save the Queen now, and let us get on with the dancing." The party-goers sang the National Anthem, rested to nibble a barbecued sausage, and then the Beatles began with I Love You, Yea, Yea, Yea.

Racial tension was at a minimum. A group of West Indians sat outside their house in their Sunday best, smiled tolerantly at the dozens of screaming, shouting dancing whites eating strange food that tasted of charcoal. The local law had obviously taken the principle of community policing seriously—a young constable bare-headed did his John Travolta thing with an elderly matron as partner and a pretty policewoman charmed a circle of kids.

The law had forbidden the dispensing of drink in the street, which meant it was kept in the house and had to be fetched and carried. One hostess cleverly organised her teenage nephew as a waiter. He dashed back and forth bringing the new bottles and recharging glasses. The only trouble was that during one of these trips he nicked the dancing policeman's helmet and appeared at supper back at the house wearing it. The terrible things that happened to Bertie Wooster in similar circumstances one Boat Race Night in the 1920s were recalled.

Finally the party was over. They were sweeping up the streamers and dismantling the barbecue while some of those indoors sat back eating chicken, polishing off the last of the summer wine and discussing the economy, inner-city violence and seal-culling. But what a swell party it was—and the dancing policeman even got his helmet back.

However, Thursday was "the morning after the day before." In Green Park and St James's Park there were bodies on the grass sleeping off the royal event of a generation.

A star cox to steer Britain's eight

The marked resurgence in British rowing over the past few years, including winning the Silver Medal for eights in the last Olympics, may get a further boost at the forthcoming World Championships in Munich in early September, if plans now laid by the Amateur Rowing Association and the chief national coach, Miss Penny Chuter, succeed.

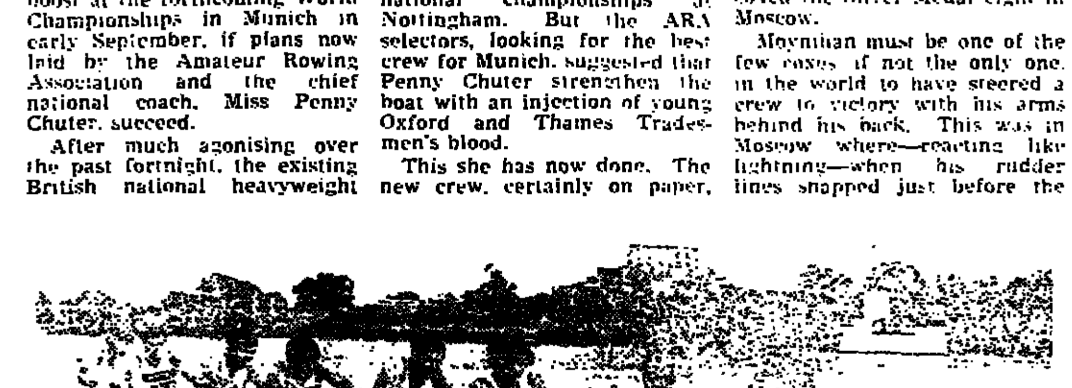
After much agonising over the past fortnight, the existing British national heavyweight eight has been reconstituted. Half of the crew have been displaced, including two of its most senior members, to make room for half of the very strong joint Oxford University and Thames Tradesmen's crew which beat the national squad by half a length in the Grand Challenge Cup at Henley nearly a month ago. The national squad later avenged that defeat by beating the Oxford/Thames Tradesmen's crew by the same margin at the recent British national championships at Nottingham. But the ARA selectors, looking for the best crew for Munich, suggested that Penny Chuter strengthen the boat with an injection of young Oxford and Thames Tradesmen's blood.

This she has now done. The new crew, certainly on paper, looks formidable. From the Oxford/Thames Tradesmen's crew she has taken Mark Andrews at bow, Chris Mahoney at 2, John Bland (Oxford's stroke) at 4 and Andrew Justice in the engine room at 5. The remaining four oarsmen of the national eight hold their seats—Colin Seymour at 3, and John Pritchard (6), Malcolm McGowan (7) and Richard Stanhope of Royal Chester at stroke. Cox is Colin Moynihan, who was in neither crew originally, but coxed the Silver Medal eight in Moscow.

Moynihan must be one of the few coxes if not the only one, in the world to have steered a crew to victory with his arms behind his back. This was in Moscow where—reacting like lightning—when his rudder lines snapped just before the finish of the Olympic final—he stretched behind him and grasped the bar on top of the rudder and just managed to keep the boat on course. Stroke watched in horror but fortunately did not lose his head.

In fact, that Moscow crew is now virtually reconstituted—Mahoney, Justice, Pritchard, McGowan and Stanhope were all in it, as well as Moynihan. What Penny Chuter now has available is probably the finest heavyweight eight Britain can put on the water at this time. Over the next two weeks, it will be undergoing intensive training at Thorpe, in Surrey, or occasionally also on the London Tideway between Putney and Kew, before going to Varese in Italy for a further intensive work-up for Munich, where the men's championships take place from September 2 to 6.

Penny's ambition is to win the Gold Medal, but the competition will be tough, including the Russians, East Germans and West Germans. Britain now has the talent, and many in the rowing world will be surprised, if not saddened, if we are not high up in the medals league across the board at Munich.



One of the first pictures of the reconstituted national eight. Moynihan had not yet joined as cox

Contributors:
FT reporters
Michael Donne

Economic Diary

MONDAY: British Rail and unions meet on pay. Ambulance unions meet on pay. President Sadat of Egypt in talks with Mrs Margaret Thatcher, 10, Downing Street. Community groups attend police-organised seminar on riots, Liverpool University. United Nations Law of the Sea Conference reconvenes in Geneva to complete work on convention governing exploitation of oceans. U.S. and Soviet Union meet to discuss possible new grain agreement, Vienna. Resumption of work by civil service following pay campaign. National Eisteddford of Wales, Machynlleth, Powys.

TUESDAY: UK official reserves (July). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-July). London clearing banks' monthly statement (mid-July). Capital issues and redemptions (July). Housing starts and completions (June).

WEDNESDAY: Meeting of National Economic Development Council. President Sadat of Egypt visits America to try to revive Palestinian autonomy talks. Mrs Margaret Thatcher visits Norfolk. Advance energy statistics (June). Statement by Equal Opportunities Commission on job sharing. Royal Wedding presents exhibition, opens to public, St. James's Palace, London.

THURSDAY: Public sector borrowing requirement and details of local authority borrowing (2nd quarter). Vehicle production provisional figures (July). Three-day World Peace Festival opens, Paris.

FRIDAY: British Airways annual report.

Midland Bank falls 16% to £104.5m

LOWER UK interest rates, further substantial bad debt provisions and continuing cost pressures have led to a 16 per cent fall in first-half pre-tax profits of Midland Bank.

For the six months to June 30, 1981 the taxable figure dropped to £104.5m, against £124.5m last time, but the group is improving the interim dividend from 7.5p net to 8p per share. Last year's total payment was 21.5p on pre-tax profits of £231.8m.

Current cost taxable profits slipped from £36m to £33m, and on this basis the group was left with a loss of £81m (£20m) after all charges. This reflected a £66.3m charge for extraordinary items, of which £65.3m comprised the full cost of the Government's once-and-for-all special levy.

On the historical cost basis, reserves were reduced by £10.6m, compared with a £67.7m retention in the same period of 1980.

Provisions for bad and doubtful debts decreased from £39.5m last time to £38.3m. The charge for specific provisions *was £37.2m (£38.1m)* with a further £1.1m (£1.4m) for general provisions.

The domestic banking contribution to group profitability declined against the first half of last year, but improved on the second half of 1980. While there has been growth in the level of advances it has been severely constrained by the continuing economic pressures. The margin between average 7-day deposit account rate and average base rate has widened.

Profit contribution from international banking improved over last time mainly because of an increase in currency lending. However, within the related services sector current profitability compared with the same period last year has reduced, which reflected mainly the changed market conditions in merchant banking and a lowering of margins in the travel business.

Group net operating income for the first half advanced from £568.3m to £643.7m, of which £484m (£436m) was net interest income. But with overhead expenses up 18 per cent from £433.6m to £513.4m, trading profits were lower at £130.3m, compared with £134.7m.

Tax charge was down from £44.8m to £34.4m and after minorities and the extraordinary items, attributable profits showed a sharp fall from £80m to £2.6m. The cost of the higher interim dividend was £13.2m (£12.3m).

Basic historical cost earnings per £1 share, before extraordinary items, were 41.9p (48.4p), while the current cost loss was reduced from 6p to 1p per share.

	Six months 1981	1980
Interest income	1,739.5	1,462.7
Interest expense	1,255.5	1,026.7
Bad & doubtful debts charge	38.3	39.5
Other income	198.0	171.8
Net operating income	643.7	568.3
Overhead expenses	513.4	433.6
Trading profit	130.3	134.7
Share assocs. profits	10.3	9.7
Loan interest	36.1	19.9
Profit before tax	104.5	124.5
Tax	34.4	44.8
Net profit	70.1	79.7
To minorities	1.2	0.5
Extraord. debits	66.3	*0.8
Attributable	2.6	80.0
Dividend	13.2	12.3
Leaving loss	10.6	†67.7

* Credits. † Profit.

See Lex Back Page

Plenty of growth left says Beecham

SHAREHOLDERS IN Beecham Group, the pharmaceuticals and consumer products company, were painted a rosy picture of their company's prospects by its chairman, Sir Graham Wilkins.

At the company's AGM he said, "There is plenty of growth left in Beecham. We demonstrated it last year and we intend to continue doing so in the years to come."

Sir Graham particularly noted the recovery in pharmaceuticals, since this owed nothing to major acquisitions and little to new products. It therefore, he said, "illustrated the inherent resilience" of the division. Aided by new products the outlook for this division was "very bright."

After questions on the company's pension policy the chairman promised to review the company's payments to pensioners this September.

Hesketh Motorcycles under way

IN LINE with the prospectus *prepared at the time of Hesketh* Motorcycles' share issue in September 1980 the company made a loss in the year to March 31 1981. The pre-tax deficit was £287,547 and the stated loss per 50p share was 18.2p.

There is no tax charge and the dividend has been passed.

The major components of cost were the planned research and development which since June 1980 has been written off, the expenditure associated with preparing for production, and the costs incurred in establishing a dealer network and receiving *initial orders for the product.*

Production at Daventry is now well under way and the directors report they are looking forward to the first release of motorcycles in September.

Comparative figures for 1980 have not been given because of the material change in the company's activities.

Watsham's slightly up at £779,541

PRE-TAX profits of Watsham's were slightly ahead for the year to March 31 1981 at £779,541 against £767,014. Turnover grew from £2.93m to £3.41m. The *group makes specialised products* for the optical, telecommunication and industrial safety industries.

The final dividend will be raised from 5.45p to 6.25p making a total of 10p compared with 9.2p. Earnings per 25p share are stated at 21.2p against 23.9p.

The directors say they are pleased with the results in a year when the company deliberately chose on behalf of the shareholders to hold its position and strengths in markets and to gain business from competitors, even in certain instances at the expense of short-term profitability.

They continue: "Price cost increases and currency charges were absorbed and production levels maintained as planned and this policy has put the group in a strong position for 1981-82.

"The group had despite continuing capital investment, larger cash resources on hand than last year end, and is pursuing its declared policy of committing these resources in additional activities for the group."

Tax for the year took £240,619 against £142,945, minorities £45,279 against £66,510 and extraordinary items £119,640 against £43,694, to leave retained profits of £140,670 compared with £209,199.

Comparisons exclude the results of J. Harvey Engineering which was closed in the previous year. Extraordinary items mainly relate to the subsequent reorganisation within the group.

Current cost accounting reduces pre-tax profits to £630,720.

Watsham's recently announced the acquisition of Optical and Electrical Coatings for £400,000, which is the first stage in planned expansion.

COMMERCIAL BK. OF NEAR EAST

Results of Commercial Bank of the Near East for the first six months of this year show an improvement over those for the same period of 1980 and the directors say that present indications are that the full year figures will show a continuation of this trend.

J. & J. Dyson dives to £490,000 loss pre-tax

IN THE year to March 31 1981 J. and J. Dyson slumped from a pre-tax profit of £1.66m to a loss of £490,217 on turnover marginally down at £34.44m compared with £34.85m.

At the half year stage this manufacturer of refractory materials and articulated trailers had made taxable profits of £232,000 (£1.11m) on turnover of £18.68m (£17.97m).

The final dividend is being reduced to 2p net (2.5p) per 25p share bringing the total for the year to 2.5p (5p). Earnings per share are stated at 2.68p (11.38p).

The directors say they are proposing the final dividend despite the year's loss, because the sale of two surplus sites is nearing completion and will considerably help cash flow.

They also say the group is now trading profitably and they are confident of the medium and long term prospects.

There was a release of £859,347 from deferred tax (£112,238 charge) producing a net surplus of £369,130 (£1.55m). Profit on the sale of fixed assets amounted to £29,302 (£65,255) and after group closure costs and extraordinary debits of £469,955 (£21,157) the attributable amount emerged as a loss of £71,523 (£1.6m profit).

Marling Inds. slides to £405,000 but lifts payout

TAXABLE PROFITS of Marling Industries, manufacturer of industrial textiles, fell from £1m to £405,000 in the year to March 31, 1981 on lower turnover of £19.82m compared with £20.4m.

At the half year stage profits *pre-tax had already slipped from* £615,000 to £205,000 on sales of £10.12m (£9.7m).

The final dividend is being increased to 0.52p net (0.47p) per 10p share making a total of 0.94p (0.89p). Earnings per share are stated at 1.83p (3.43p).

The directors say that since the beginning of the current financial year the group has seen an improvement in trading and profitability and this is partially reflected in the proposed dividend increase.

On July 1 the group acquired the remaining minority shareholding in Ancra International. This company is now 100 per cent owned—with effect from April 1, 1981.

At the same time the company sold its holdings in Ancra International BV of Holland, including its French and German subsidiaries. These moves will not affect profits but will reduce group borrowings which are already substantially below the levels of 12 months ago, the directors say.

Pre-tax profits were struck after interest of £648,000 (same), profit from an associate of £16,000 (£25,000) and pre-*acquisition subsidiary profits of* £3,000 (£10,000 loss).

There were minority interests of £1,000 (£5,000) and extraordinary credits of £792,000 (£172,000 debits) leaving an attributable profit of £1.07m (£345,000).

Current cost adjustments reduced taxable profits to £49,000.

Tace £0.39m in the red midway and no payment

IN THE half year to March 31, 1981, Tace, the manufacturer of electronic and engineering products, has slumped from a profit of £286,000 last time to a pre-tax loss of £386,000, while turnover fell from £8.07m to £6.21m.

The directors say that in the light of the results, no ordinary interim dividend or preferred ordinary dividend are recommended for the period. Last year's interim payment was 0.85p net per 10p share, but the final *was omitted.*

The increasing fall-off in demand in the last half of 1980 led to a marked decline in turnover and considerable pressure on margins, particularly in the first quarter of this year while the company's cost cutting programme was being intensified.

However, in the second quarter reduced costs led to a significantly lower loss and in the third quarter the company has broken even.

The cost of service borrowings, which are at a similar level to this time last year, is too *expensive in current trading* conditions, the directors state, and they have plans to reduce these significantly in the longer term.

Net interest charges for the half year increased from £282,000 to £355,000, while the pre-tax result was after charging this time exceptional redundancy costs of £41,000. At the pre-interest level, the company made a small profit of £10,000 (£568,000).

There is no tax (£144,000 charge) and after minorities, the attributable deficit came through at £380,000, against £132,000 profit. There were also extraordinary net closure costs of £39,000 (nil).

Demand for the company's subcontract and component products and services continues at a low level, but is balanced by increasing export orders for its high technology products.

Steps are being taken to increase export coverage, particularly in the U.S. where the company's sales, service and distribution network is being expanded. The developments and introduction of new products continues and the directors look forward to a more succesful period of trading.

Security Centres surges ahead

PRE-TAX profits of Security Centres Holdings for the year ended March 31, 1981 increased from £201,355 to £366,022 on turnover of £1.46m against £0.92m.

At half time taxable surplus had been ahead to £174,647 (£118,763 for nine months).

The final dividend is to be *raised from 0.6p to 0.8p making* a total of 1.3p against 1p last year. Earnings per 10p share are stated as being up from 2.72p to 3.82p.

The board says that all divisions of the company showed an improvement over the previous year, and that it views the current year with confidence.

The directors have not presented CCA results because, in their view, no suitable index appropriate for the group's industrial sector is available at present.

The group paid £113,421 in tax compared with £34,141 and dividends will take £92,858 compared with £39,767, which leaves retained profits of £159,743 against £79,660 last year (including £47,787 pre-acquisition profit).

The company makes burglar and fire alarms and other security systems.

Pennine Commercial

Pennine Commercial Holdings has agreed to acquire all the issued share capital of Urban *Properties—a company registered* in the Isle of Man—for a total consideration of £126,000. This will be satisfied by the issue of 1.05m ordinary shares in Pennine.

Urban's assets consist of two development sites on the Isle of Man, one of which is already partially developed.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Arbuthnot Govt. Secs. 4th int.	3.18‡	Oct 15	3.19	12.76	12.75
Cray Electronics	1.62	Nov 6	1.43	2.25	2
J. and J. Dyson	2	Oct 1	2.5	2.5	5
Martin Ford int.	Nil	—	0.65	—	1.3
Marling Inds.	0.52	Oct 6	0.47	0.94	0.89
Midland Bank int.	8	Oct 2	7.5	—	21.5
Plastic Const. int.	0.84	Sept 21	0.84	—	2.67
Security Centres Hldgs.	0.81	Oct 5	0.6	1.3	1
Watsham's	6.25	Oct 16	5.45	10	9.2
Wearwell 2nd int.	1.3‡	Nov 30	—	—	2.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 16 months. § Gross throughout.

Big boost at Wearwell defies poor conditions

DESPITE "adverse trading conditions," Wearwell, manufacturer and wholesaler of outerwear, has increased its pre-tax profits from £1.61m to £3.02m for the year to May 1 1981. Turnover moved ahead from £10.04m to £16.07m.

A second interim of 1.3p is proposed, making 2.5p so far this year which will run for 16 months to August 28 1981. Last year an interim of 0.8p and final *of 1.7p were paid. The company* states earnings per 5p share at 12.9p compared with 7.8p.

The chairman says results have been achieved during a time when interest rates and the value of the pound remained high. "Currently the company is exporting over 90 per cent of its products and looks forward to continued growth."

Depreciation took £125,000 compared with £123,000, interest £976,000 compared with £432,000 and tax £232,000 against £150,000 to leave attributable profits of £2.79m against £1.47m after extraordinary credits of nil (£8,000).

The company intends to revalue its properties at the next balance-sheet date (August 28 1981), "which will show a substantial surplus to the present book values."

● comment

After the first 12 months of its 15-month accounting period Wearwell has passed £3m before tax. That is an increase of 87 per cent over the previous year, and just over four times the profit for 1978-79. Despite an interest charge which more than doubled, Wearwell's pre-tax margin improved, to nearly 19 per cent. The main reason cited is the growing use of Cyprus as an assembly base for pre-cut cloth. Transport charges included, stitching in Cyprus cuts production costs by more than 20 per cent. At 89p, the share price stands at 13 times 12 months' fully-taxed earnings, taking due account of forthcoming property sales and revaluations. It remains to be seen whether the *final dividend in August raises* the yield above its present 4 per cent.

Martin Ford decreases to £43,673

A FALL in interest receivable largely caused pre-tax profits of Martin Ford to slide from £101,326 to £43,673 in the 26 weeks to May 30 1981. Turnover increased 16 per cent from £3.08m to £3.59m, including VAT.

The directors of this ladies' clothes manufacturer say general uncertainties make it difficult to forecast the outcome of the year and therefore they have decided to defer consideration of *any dividend until the 12* months' results are known. Last year an interim of 0.65p net per 10p share was paid, together with a final of the same amount.

Despite the overall increase in turnover the pattern of trading in the six months was erratic and overheads continued to rise.

Earnings per share are stated at 0.23p (0.3p) after tax of £7,078 (£54,059).

Decline at Sterling Tst.

With gross revenue lower at £1.27m, against £1.37m, pre-tax revenue of the Sterling Trust dropped from £1.23m to £1.12m for the first half of 1981.

After tax of £393,447 (£426,883) and the preference dividend, *revenue available for ordinary* holders was down from £787,145 to £715,470. Stated earnings per 25p share were 4.34p (4.82p).

An unchanged interim dividend of 3p net has already been declared, absorbing £494,505 (£489,420).

Net asset value per share at *the half year was 317.2p, after* prior charges at par (278.9p at December 31, 1980).

STOCKHOLDERS FAR EAST INVS.

The offer for subscription of 5m shares of Stockholders Far East Investments at 110p a share has been oversubscribed.

EPICURE

As part of the consideration for the acquisition of J. L. Barber and Son to be satisfied by the issue of shares, 847,403 ordinary shares in Epicure now fall to be issued. Following this issue, Epicure now has 20,720,455 ordinary shares of 5p each in issue.

Tilling to pay £11m for U.S. company

Thomas Tilling, one of *Britain's largest industrial holding* groups, is expanding further its fast growing U.S. interests.

It has agreed to acquire for $20.435m (£11m) the Facile Division from Sun Chemical Corporation. Based mainly in New Jersey, Facile is a speciality laminator of cable shielding and *associated products.*

It employs 240 people and made adjusted divisional profits before tax of $4.23m (£2.3m) for the year ended December 31 1980 on sales of $25.6m (£13.7m).

Mr David Sahud, Facile's general manager for the past nine years, will become presi*dent and chief executive of the* Tilling subsidiary, Facile Technologies, which will be formed to acquire Facile. Mr Walter Rose, commercial vice-president of Thomas Tilling Inc, will be chairman of the new company.

In the past four years Tilling has been steadily building up its U.S. interests, which by the end of last year totalled about $325m. Tilling says it expects this figure to grow to $400m by the end of 1981.

In April the company announced its first acquisition in the Far East and is currently *looking at several opportunities* in Singapore and Hong Kong.

NO PROBE

The merger of Robert Fleming Holdings and Save and Prosper Group is not to be referred to the Monopolies Commission.

SHARE STAKES

Harris and Sheldon—Laing and Cruickshank as associates of Otis Elevator Company on July 30 1981 bought 450,000 ordinary shares, 50,000 ordinary shares for Otis.

Hampton Gold Mining Areas—M and G Endowment and Pensions Assurance Company has increased its share interest to 866,250 shares (6.2 per cent) following the purchase of 127,500 shares.

Caparo Industries—The group purchased between July 22 and 30 a further 200,000 ordinary shares making its total holding 22,342,756 (59.3 per cent).

Braham Millar Group—Fieldwood has disposed of 100,000 shares on July 23 1981.

BIDS AND DEALS

Eastern Produce launches offer for Unochrome

Eastern Produce, the tea and rubber group, has launched a bid for Unochrome Industries, in which it already has a 29.95 per cent stake.

EP is offering 21p cash per share valuing Unochrome at £3.51m. The Unochrome shares rose 3½p to 20p yesterday.

Eastern Produce purchased its stake in Unochrome on March 25 for £1.05m cash from Camelia Investments. This represented a price of around 20p per share.

At that time Eastern Produce said the acquisition represented a further step towards the group's aim of broadening the base of the company and increasing its UK earnings.

Unochrome made pre-tax profits of £1.07m in the year ended September 30 1980 against £0.86m previously, but both profits and turnover were down at the midway stage. Net assets per share as at September 30 1980 were 32.9p.

Eastern Produce profits for 1980 slumped by 44 per cent. On a turnover of £17.14m the company made a pre-tax profit of £1.72m, against £3.07m in the previous period.

Eastern Produce's offer is conditional on acceptances being received which when aggregated with its current holding and any further shares acquired during the offer represents more than 50 per cent of Unochrome's share capital. Barclays Bank has confirmed that Eastern Produce has sufficient resources to finance the bid.

Law Land chief accuses some shareholders of 'undue haste'

BY MICHAEL CASSELL

Law Land has again urged its shareholders to reject the takeover bid by Churchbury Estates, which has now gone unconditional.

Acceptances have pushed up Churchbury's holding in Law Land to just over 50 per cent, although several substantial shareholders remain undecided.

Last night, Sir Henry Warner, chairman of Law Land, said that, although Churchbury now spoke for marginally over half of the company's ordinary shareholders, the board main*tained its unanimous view* that the offer was totally inadequate.

Sir Henry pointed out that if remaining Law Land shareholders rejected the offer, there would still be a far greater number of, and therefore market in, Law Land shares than for those of Churchbury. He referred to the volatility of Churchbury shares at the time of the bid and asked shareholders whether they wanted to become involved in such a volatile investment.

Sir Henry said that the "undue haste" with which some shareholders had acted in accepting the Churchbury offer long before the first closing date, "contrary to City practice and the interests of shareholders as a whole," may have deprived remaining shareholders of the chance of a higher offer.

He added: "You might wish to ask some of the parties named in the Churchbury offer document—those who agreed to accept the offer even before it was made—what they might pay you for the Churchbury shares you would receive if you accepted the offer." Among those shareholders who have accepted the bid are Royal Insurance and the Kuwait Investment Office.

Mr Oliver Marriott, chairman of Churchbury, said last night that his board expected to reply next week to the Law Land document. He is likely to stress that the majority of shareholders accepted the offer not on the basis of precise terms but because of the overriding view that a change of management was vital. The new chief executive, who will be responsible for managing the Law Land portfolio, will also be named.

Reject latest Fulcrum bid advises Construction Hlds.

Construction Holdings, the former engineering consultancy company which was restructured as an investment trust in 1979, has written to shareholders again asking them to refuse the bid from Fulcrum Investment Trust.

Fulcrum, the Newcastle-based *split capital investment trust,* made its third and final offer for Construction on July 23. At that stage it said it had total acceptances in respect of 163,450 shares, representing 17.02 per cent.

Fulcrum's original bid was a share offer worth 203p which was subsequently raised to an effective 209p. Its third offer included a cash alternative of 215.32p per share.

In a letter sent to shareholders last month Construction said the net asset value of the trust stood at 236p a share on June 18 this year. The company claimed that most recent offers for investment trusts had been made at premiums to net asset value.

The directors of Construction and their families own about 35.1 per cent of the company. Ever since Fulcrum first made public its intentions, the board of Construction has warned shareholders to take no action and yesterday it repeated this advise.

Matthew Clark makes £0.3m acquisition

Matthew Clark and Sons (Holdings) has acquired Malcolm Cowen, a shipper and wholesaler of wines, spirits and liqueurs, for £300,000. The consideration is being satisfied by the payment of £175,000 in cash and the issue of 93,360 Matthew Clark ordinary shares.

Net tangible assets of Malcolm Cowen as at January 31, 1981 were £148,097 and pre-tax profits for the year to that date were £58,694. Trading so far this year has been satisfactory.

Jeavons expects 40% profit drop this year

Jeavons Engineering, of which Pentos is hiving off 60 per cent by way of a public offer for sale next month, is forecasting a 40 per cent fall in profit this year.

The draft prospectus for the offer, which is to be made on August 17, also reveals that Pentos warrants that net tangible assets of Jeavons at June 30 1981 were not less than £2m.

The offer of 3.36m shares at 62p per share will value Jeavons, which makes gas pressure regulators and compression fittings, at £3.47m.

Jeavons was acquired by Pentos in 1976. Its profit before tax grew from £268,000 in the nine months of 1976 following the acquisition to a peak of £1m in 1979 and then eased to £932,000 last year. Turnover in the same period rose from £2.3m to £6.77m. These figures exclude the results of Jeavons Contracting, which is to remain wholly owned by Pentos.

During the first half of the current year, the demand for domestic regulators remained steady while orders for compression fittings, particularly in the UK, remained at a low level. For the second half, the directors expect a fall in demand for regulators because of de-stocking by British Gas but an improvement in sales of compression fittings.

A pro-forma balance sheet at December 31, 1980 shows net assets of £1.88m of which £835,000 were fixed assets. Bank borrowings at July 16, 1981 stood at £95,000. The company has since been released from guarantees in respect of Pentos's borrowings.

Future prospects for domestic regulators are expected to improve as British Gas acquires additional supplies of gas, augmented by a growing replacement market for regulators installed during the 1960s conversion programme. Export markets are also encouraging.

Demand for Jevco compression fittings is showing signs of recovery and in the longer term the central heating and home improvement markets offer further opportunities for growth.

A £140,000 *interim dividend* has already been declared and the directors intend to pay a second interim dividend of 1.125p per share and a final dividend of 1.125p in respect of 1981. Had the company been public for the full year, dividends aggregating 3.75p would have been forecast.

The offer is to be made by brokers Kitcat and Aitken. Pentos is seeking shareholders' approval of the disposal at an extraordinary general meeting on August 17.

● comment

Time was when the market would put a premium on assets that came under the management of the aggressive mini-conglomerate Pentos. Now it is hoped that Jeavons will attract a higher value on its own than within the hard-pressed Pentos *group. Jeavons has an excellent* record, making an average 40 per cent return on capital in the past three years and yielding a rapidly growing stream of cash. It is having a tough time this year but its prospects still look good. Pentos could undoubtedly get a better *price for* Jeavons later—the prospective fully taxed p/e at the offer price is 12.6—but it needs immediate funds to help reduce heavy borrowings. Shareholders can at least console themselves with the thought that they are getting as much money for 60 per cent of Jeavons Engineering as they paid in 1976 for the entire Jeavons group.

Results due next week

The last of the Big Four clearing banks, Barclays, reports interim results on Thursday for the six months ended June 30. Analysts have revised their figures upwards in recent days and now predict a range from £260m to £270m, against £265.9m last time. Slightly better cost control and improvement in bad debt charges are the main reasons for the optimism.

Bad debt charges have apparently been reduced to £45m to £50m against £64m last time. While the consumer finance units in the U.S. have *been badly hit by high interest* charges, overall profits from that sector have been maintained in local currencies terms and then aided by the strong dollar conversion.

The other international divisions of the bank continue to do well, especially in South *Africa. The market is looking* for an increased dividend, perhaps to 10.2p or possibly higher to match Lloyds' recent 15 per cent increase.

Standard Telephones and Cables has speeded up its reporting process, bringing out its interim figures next Monday—more than six weeks earlier than last year. Analysts generally agree that STC will reach £50m before tax at the end of the year, an advance of just under 10 per cent. This assumes progressively slower growth as the year goes on. For the first 25 weeks a central estimate is £26.5m (against £22.8m).

The volume of work on main public exchanges is still growing, as more crossbar systems *are eliminated in favour of* STC's programmable TXE4A. Submarine cable contracts are also a source of strength. It is the stream of disappointing results from distributors of electronic components which explains why STC is expected to slow down; about 40 per cent of *STC's sales go into that market.*

Glynwed shares have risen 10 per cent in the past week, which may reflect some inspired speculation that the interim dividend will be maintained when interim results are announced on Wednesday. The diversified metal fabricating group cut the final last year by a quarter although profits were down only 13 per cent in the year as a whole. Profits before tax in the first half of the current year may have fallen from £9m to £6½m.

Trading conditions in domestic appliances and copper tubing are still difficult and the comparative period benefited from the false boom during the steel strike. At the AGM in May, *the chairman* said one or two sectors in the UK were showing marginal improvement and there have been reports lately that the group is making a bit of trading profit again in steel rolling and stockholding.

Reporting on Thursday, Hoover is expected to announce a *smaller loss* for its second quarter which ended June 30 than for the preceding one. Estimates of the loss for the six months range from £4m to £5m against profits of £1.6m last time. Although the group has undertaken substantial reorganisation and rationalisation programmes, these have yet to work themselves through the system. Overseas markets, particularly, Portugal, Italy and South Africa appear to have held up, but the bulk of Hoover's business, UK sales, remains depressed.

While market share has improved somewhat in the quarter, productivity has not. Vacuum cleaner sales have been reasonably stable, but these have been outweighed by a drop in the laundry equipment market. Hoover's dividend payments this year may be reversed, with a halving this time to 2p and a restoration of 4p at the final if trading picks up.

Other companies reporting next week include Alcan (UK)—now a wholly owned subsidiary of its Canadian parent—J. Bibby and Sons, and Rentokil. All are announcing interim figures on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AAA Industries	Thursday	1.065	1.065	1.085
Ailsa Investment Trust	Tuesday	3.5†	4.2	4.0
Associated Tooling Industries	Thursday	1.8	2.064	1.8
Austin (James) Steel Hldgs.	Thursday	1.67	3.0	1.67
Black (Peter) Hldgs.	Thursday	1.47	2.78	1.58
Contreway Trust	Tuesday	2.0	6.0	—
City of London Brewery & Inv. Tst.	Wednesday	1.769	2.44‖	3.3§
Cowan de Groot	Tuesday	1.0	2.5	1.0
Ewart New Northern	Wednesday	—	2.5	1.0
Fobel International	Tuesday	0.94	1.2	0.85
Garford-Lilley Industries	Wednesday	0.25	0.9	0.25
Gnome Photographic Products	Thursday	—	4.15	—
Hales Properties	Wednesday	1.0	2.5	1.0
Hallite Holdings	Wednesday	2.5	5.25	2.5
Illards	Monday	1.25	3.0	1.5
Jackson (Wm.) & Son	Wednesday	—	—	—
London Industrial Hldgs.	Friday	1.4	3.6	—
NMC Investments	Monday	—	1.57	—
Owen & Robinson	Monday	6.0	14.0	6.0
Phoenix Timber	Friday	2.0	3.0	1.0
Preedy (Alfred) & Sons	Monday	0.75	2.6	0.75
Regional Properties	Monday	0.65	1.25	0.75
Smith (David S.) Hldgs.	Thursday	2.5	4.5	2.5
Sterling Credit Group	Tuesday	—	0.392	—
Unitech	Tuesday	2.1	3.39	2.52
INTERIM DIVIDENDS				
Adams & Gibbon	Thursday	1.25	2.5	
Alcan Aluminium (U.K.)	Wednesday	3.3	—	
Aquis Securities	Monday	0.3	0.6	
Ault and Wiborg Group	Wednesday	0.75	1.06	
Barclays Bank	Thursday	9.25	9.25	
Bibby (J.) & Sons	Wednesday	2.2	4.925	
Carron (Hldgs.)	Thursday	0.85	0.425	
Evode Hldgs.	Thursday	0.49	1.19	
Foreign & Colonial Inv. Trust	Wednesday	0.525	1.22	
Glynwed	Wednesday	2.45	4.9	
Hoover	Thursday	4.0	2.0	
International Inv. Trust	Tuesday	1.8	2.55	
Law Debenture Corpn.	Thursday	2.5	4.75	
Relyon PBWS	Thursday	1.8	3.0	
Rentokil Group	Wednesday	[illegible]	1.6	
Scottish United Investors	Friday	[illegible]	0.96667	
Smallshaw (R.) Knitwear	Wednesday	[illegible]	1.25	
Standard Telephone and Cables	Monday	[illegible]	6.0	
INTERIM FIGURES				
Ferguson Industrial Hldgs.	Friday			
Goode Durrant & Murray Group	Thursday			
Hallam Sleigh & Cheston	Thursday			
Updown Inv. Trust	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes a non-recurring dividend [illegible]. ‡ First quarter figures. ¶ Total of first and second interim dividends. ‖ Total of third and fourth interim dividends. § Total of first, second and third interim dividends.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Harris and Sheldon, whose products include Antler luggage, Webley guns and English Rose kitchen furniture, is to be split up with its lift business being bought by the UK subsidiary of **Otis Elevator** of the U.S. and the remainder going to **Eastlake**, a private company set up by the existing H and S management. The complicated £22.3m deal involves H and S being liquidated and subsequently restructured and values the company's shares *at 56p which compares with a suspension price of 32p and, in* resumed dealings, a current price of 53p.

C. H. Beazer, the property development and construction company, launched a 75p per share cash bid for the 88.5 per cent *of Westbrick Products, the brick and concrete manufacturer, it* does not already own. Beazer acquired its current holding in Westbrick in a dawn raid on July 10.

Sedgwick Group of the UK and **Alexander and Alexander** of *the U.S., two of the world's largest insurance brokers, have* abandoned long-standing merger plans because of "fundamental differences in the tax systems of the UK and the U.S."

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc'ce date
Prices in pence unless otherwise indicated.						
Amal. Power	140*	136	109	25.61	Nthn. Eng.	—
Cambridge Pet.	350*	352	280	14.00	Lon. Merchant Secs.	—
Catalin	70*	70	68††	1.19	Ruberoid	—
Constrctn. Hldgs.	224§	208	193	2.02	Fulcrum Inv. Trust	—
G. H. Downing¶¶	241	238	228	14.52	Steetley	—
Greenbank Trust	148	140	178	1.18	Sturla Hldgs.	—
Harris & Sheldon	56*	53	32††	22.26	Otis El. (UK)	—
Hill (Chas.)	125*	150	92	1.46	Consortium	—
Hirst & Mallinson	37	31	30	1.91	Assoc. Brit. Eng.	—
Law Land¶¶	114	113	99	38.96	Churchbury Estate	—
Letraset	105	114	87	44.90	Mills & Allen	—
Myson	68*	65	48††	6.53	Consortium	—
Nathan (B. & I.)	35*	33	34	0.65	Parker Knoll	—
Ofrex	160*	160	122††	31.77	Dennison	—
Ofrex	160*	160	136	31.77	Gallaher	—
Paringa	80*	85	72	8.64	Apollo Int. Mines	—
Paringa¶¶	72½§§	85	65	7.83	Hampton Areas	—
Ruo Estates	58*§	57	58	0.79	E. Produce and Laurie Plnts.	—
Unochrome Inds.	21*§	20	15½	2.46	Eastern Prod.	—
Utd. City Merc.	40*	39½	29††	14.07	Arab Asian Bank	—
Westbrick Prods.	75*§	86	85	2.84	Beazer (C. H.)	—
Wight Hldgs.¶¶	30*§	33½	30	0.38	Thrnwd. Inv.	10/8

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 31/7/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Scrip Issues

A.A.H.—One for one.

Ellis and Everard—One for ten.

Stirling Knitting—One for one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
A.A.H.	Mar	9,690	(9,070)	29.7	(27.2)	9.4	(8.5)
Acrow	Mar	4,980L	(2,020)	—	(4.0)	0.75	(3.0)
Aero and General	Mar	758	(501)	11.4	(13.6)	3.5	(1.75)
Alexander (Wltr)	Mar	2,260	(3,310)	15.2	(18.1)	4.5	(4.0)
Brasway	May	70	(401)	2.3	(18.0)	3.0	(4.0)
Burt Boulton	Mar	23	(1,100)	—	(74.1)	5.0	(10.0)
Cawdaw Industrl.	Mar	944L	(125)	—	(—)	—	(—)
Centreway	Mar	71L	(1,380)	—	(36.2)	5.0	(10.0)
Diamond Stylus	Mar	32	(181)	0.9	(5.2)	—	(0.89)
Dixons Photo	May	10,780	(10,920)	17.4	(19.1)	3.49	(3.33)
Ellis and Everard	Apr	1,150	(1,540)	15.4	(10.8)	6.5	(6.5)
Fitch Lovell	Apr	9,190	(11,190)	13.6	(13.3)	5.2	(5.2)
Forminster	Apr	1,530	(1,750)	16.0	(17.9)	4.2	(4.2)
Greycoat Estates	Mar	340	(242)	2.3	(2.4)	0.37	(0.32)
Ingram (Harold)	Apr	215L	(113)L	—	(—)	—	(1.44)
Jarvis (J.)	Mar	702	(701)	44.9	(46.1)	13.2	(12.0)
Macarthys Phar.	Apr	4,600	(3,150)	25.5	(20.7)	5.0	(4.5)
Norton (W.E.)	Mar	930L	(247)L	—	(—)	—	(0.4)
Norton & Wright	Mar	43L	(1,250)	3.0	(9.7)	1.0	(4.47)
Priest (Benjmn.)	Mar	935L	(3,180)	—	(13.6)	2.39	(6.79)
Rexmore	Mar	942L	(892)	—	(8.1)	1.0	(4.91)
Sogomana	Dec	705	(718)	13.7	(13.5)	10.0	(10.0)
Spear (J.W.)	Dec	960	(1,630)	16.0	(24.4)	6.0	(6.0)
Steinberg Group	Mar	834L	(558)	—	(2.6)	0.02	(1.1)
Stirling Knit	Mar	*783*	(407)	24.1	(5.5)	1.2	(0.85)
Tomkins (F.H.)	May	788	(2,060)	2.8	(6.1)	1.15	(1.35)

Rights Issues

United Scientific Holdings—Is raising £27m by way of a rights issue on the basis of seven new shares at 360p per share for every *17 shares.*

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bootham Engns.	Apr	83L	(228)	—	(5.5)
City Offices	June	750	(678)	1.3	(1.3)
Dunbar	June	365	(—)‡	3.75	(3.1)
Gallaher	June	35,700	(49,300)	—	(—)
Grindlays Hldgs.	June	17,180	(17,430)	1.25	(1.25)
I.C.I.	June	135,000	(274,000)	9.0	(12.0)
Lex Service	June	6,100	(7,900)	2.8	(2.8)
Lonrho	Mar	40,700	(49,700)	3.0	(3.0)
Mount Charlotte	July	140	(104)	—	(—)
NatWest Bank	June	197,000	(225,000)	9.63	(8.75)
Notts Manfetrng.	June	5,450	(4,060)	1.1	(1.0)
Piccadilly Theatre	Mar	65	(53)	—	(—)
Pratt (F.) Engn.	Apr	171L	(545)	2.2	(2.2)
Prestige	June	2,620	(2,480)	2.5	(2.5)
Reed Internl.	June	23,100†	(11,800)†	—	(—)
Vantona Group	May	*1,920*	(1,420)	*3.0*	(3.0)
Westminster Prp.	Mar	182	(155)	—	(—)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † First *quarter figures. ‡ No comparable figures.*

Offers for sale, placings and introductions

Japan Assets Trust—Issue by subscription of 30m 10p ordinary *shares at 25p each.*

Jeavons Engineering—Offer for sale of 3.36m shares at 62p per share.

Stockholders Far East Investments Inc—Offer for subscription for 8m shares of $1 each at an offer price of $2 per share.

York Trailer losses rise to £753,000

PRE-TAX LOSSES for the half year to June 30 1981 at **York Trailer Holdings** increased significantly compared with the same period last year, to £753,000, against £260,000. Turnover, at £9.48m, was less than half the previous £19.8m.

The company, which makes and markets commercial semi-trailers for articulated vehicles, is a subsidiary of York Transport Equipment, which is in turn 75 per cent owned by Northants *Investments of Ontario, Canada.*

The board says that the first quarter losses mentioned in the 1980 report and accounts have continued to the second quarter, *but at a diminished level due* to an aggressive programme of cost reductions and savings in line with the reduced market.

Sales at £9.48m were 16 per cent less than the previous six months but recently the company's order intake has strengthened and this level of sales is being maintained. But the company's labour force has been cut to 644, compared with 850 at the beginning of 1981.

As a result of these measures. borrowings have been reduced by £750,000 to £5.4m, the company says.

Again there will not interim, *the last payment was 0.598p net* for 1979.

Loss per 10p share for the half year is stated at 7.54p (2.7p loss).

The board says substantial savings have been made in operating costs to eliminate the current trading losses, but this has not yet been achieved.

The current monthly figures, however, show a reduced loss and if the company can maintain its sales level these losses will be further diminished and losses in the second half will be lower than the first half.

"*On current indications, the* board would expect the company to be operating on at least a break even basis in the fourth quarter of this year as the company has yet to obtain the full benefit of all the cutbacks. A small improvement in the market would put the company into profit very quickly."

The company paid £454,000 interest against £507,000 and royalty income amounted to £23,000 (nil).

With nil tax (same), attributable losses came through at £830,000 (£454,000) after extraordinary charges of £77,000 *(£235,000).*

● comment

York Trailer has persevered with the attempt to match its capacity to a desperately reduced demand for its product. Sales are less than half of what they were in the first half of 1980, and the workforce has now been cut by almost two-thirds. Hopes of breaking even in the final quarter must be assessed in the light of excess capacity at York's competitors, notably Crane Fruehauf and Craven Tasker. Still, the first half loss is well down on that for the second half of 1980, and it has been possible to cut stocks by over £1m and debt by £0.75m to £5.9m. Despite this, gearing *remains at around 200 per cent.* The preference dividend has been deferred, and York's shares remain suspended pending an outcome to negotiations for the sale of the 60 per cent holding company stake. Although such a sale would precipitate a full bid, minority holders will be fortunate if they are offered much more than the 14p suspension price, which capitalises the company at £1.5m.

Tesco's sales ahead

Mr Leslie Porter, chairman of **Tesco Stores (Holdings)**, told yesterday's annual meeting that trading so far in the current year had produced some increase in sales over last year.

The last four weeks particularly had shown better increases, but he felt that it was too early to forecast the full year's results at this stage.

Mr Porter reported that the group's fresh foods business was progressing very satisfactorily.

Referring to expansion the chairman said that the group was presently ahead of the development programme formulated in 1979. In the last financial year the group opened 22 new stores and completed nine major refits. A further 17 stores are to be opened in the current year.

Mr Porter pointed out that as well as the many advantages of the new large stores there were some disadvantages in that they take time to come into profit.

"Unprecedented high interest rates mean that this period could take longer, but we believe *it is imperative that we continue* our development programme in order to underwrite the future prospects of the group," said the chairman.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Last	Nov. Vol.	Last	Feb. Vol.	Last	Stock
GOLD C	$425	—	—	23	23	—	—	$406.50
GOLD C	$450	—	—	5	15	—	—	,,
GOLD C	$475	—	—	1	10	1	21.50	,,
GOLD C	$500	2	0.10	—	—	—	—	,,
GOLD P	$400	1	8	2	18	—	—	,,
GOLD P	$425	1	22	1	29	—	—	,,
GOLD P	$500	—	—	—	—	3	93	,,
		Sept.		Dec.		March		
GM C	$50	—	—	2	4¼	—	—	$50⅞
		Oct.		Jan.		April		
ABN C	F.280	5	22	—	—	—	—	F.295
ABN C	F.300	36	9.90	—	—	—	—	,,
ABN C	F.320	1	2.50	3	5.50 B	—	—	,,
AKZO C	F.25	26	2.50	—	—	—	—	F.25.90
AKZO C	F.27.50	59	1.40	18	2.10	20	2.90	,,
AKZO P	F.25	79	0.60	13	1.10	—	—	,,
AMRO C	F.55	14	2	3	2.50	—	—	F.53.20
AMRO C	F.60	—	—	17	1.20	—	—	,,
HEIN P	F.50	5	5.50	—	—	—	—	F.45.50
HEIN P	F.55	10	10	—	—	—	—	,,
HOOG C	F.20	21	1	18	1.60	—	—	F.18.40
IBM C	$60	2	1⅛	—	—	4	4⅛	$55⅞
KLM C	F.90	6	18	—	—	—	—	F.102.50
KLM C	F.110	3	7.50	—	—	—	—	,,
KLM C	F.130	30	2.60	—	—	—	—	,,
KLM C	F.140	21	1.80	—	—	—	—	,,
KLM C	F.150	55	1.10	—	—	—	—	,,
KLM P	F.80	23	2 A	—	—	—	—	,,
KLM P	F.90	8	4.20	—	—	—	—	,,
KLM P	F.100	7	7.40	—	—	—	—	,,
NEDL C	F.130	—	—	5	15.50	—	—	F.140
NEDL C	F.140	35	9	22	11	6	14.70	,,
NEDL C	F.150	18	4.20	23	6.50	—	—	,,
NATN C	F.120	—	—	2	3	—	—	F.112.60
NATN P	F.125	3	12.70	—	—	—	—	,,
PHIL C	F.17.50	3	7	—	—	—	—	F.24.10
PHIL C	F.20	27	4.50	5	5.60	—	—	,,
PHIL C	F.22.50	85	2.70	77	3.70	22	4.50	,,
PHIL C	F.25	359	1.50	46	2.50	86	3.10	,,
PHIL C	F.27.50	368	0.60	269	1.30	—	—	,,
PHIL P	F.20	20	0.20	—	—	—	—	,,
PHIL P	F.22.50	20	0.60	—	—	—	—	,,
PHIL P	F.25	38	1.60	480	1.90	—	—	,,
POLA C	$30	—	—	4	2⅛	—	—	$27⅞
RD C	F.80	20	12.80	—	—	—	—	F.90.60
RD C	F.90	147	5.50	5	7	10	8.50	,,
RD C	F.100	229	1.80	22	3 A	15	4.50	,,
RD P	F.80	125	1.70	—	—	—	—	,,
UNIL C	F.140	15	8.50 B	2	11 B	—	—	F.146.50
UNIL C	F.150	6	4	25	6	—	—	,,
UNIL C	F.160	20	1.30	—	—	—	—	,,
UNIL P	F.150	7	6.50	—	—	—	—	,,
		Aug.		Nov.		Feb.		
BOEI C	$30	—	—	—	—	5	2½	$27½
BASF C	DM.140	—	—	21	13.50	144	20	DM146.80
VW C	DM.160	—	—	2	6.50	—	—	DM155.50

TOTAL VOLUME IN CONTRACTS 3397

A=Asked B=Bid C=Call P=Put

Cray Electronics expands 18% to more than £1m

PRE-TAX PROFITS of Cray **Electronics** advanced 18 per cent from £875,000 to £1.03m in the year to May 2 1981 on improved *turnover of £18.91m compared* with £13.87m.

The directors of this precision engineering, specialist pumps, sheet metal work and electrical and electronic equipment group are increasing the year's dividend by 12.5 per cent to 2.25p (2p) net with a final of 1.62p (1.43p) per 10p share. Earnings per share are stated at 6.91p (5.45p)—an increase of 27 per cent.

The company has been affected by the recession, principally in a reduction in margins because of increasingly competitive tenders. *The directors are looking to con*tinuing productivity improvements to increase profitability.

Tax took £409,000 (£233,000) *and minority interests added* £103,000 (nil)—representing a partner's share of the start up costs of a joint venture—leaving *the attributable profit up 32 per* cent at £727,000 (£552,000). After dividends of £251,000 (£199,000) the retained balance emerged at *£476,000 (£353,000).*

Current cost adjustments reduced pre-tax profits to £641,000 (£583,000).

Downturn at Plastic Constructions

TAXABLE profits of **Plastic Constructions** fell from £106,062 to £51,203 in the half year to March 31, 1981 on turnover down from £5.17m to £4.72m. But because there was no tax charge this time, compared with £55,133, the net surplus was up from £50,903 to £51,203.

The interim dividend is being maintained at 0.836p net per 10p share. Last year a total dividend of 2.6663p was paid on pre-tax profits of £415,226 (£422,001).

Mr H. Aron, *chairman, says* that although direct and indirect exports increased substantially this did not make up for the con*traction in the home market.*

Since the end of March he says there has been a further deterioration in business activity and so the directors have had to implement further rationalisation in the group. This action will enable it to raise profitability as *soon as conditions improve he* adds.

Earnings per share are stated at 1.29p (1.08p).

Plastic Constructions designs, fabricates, and instals anti-pollution and corrosion equipment and systems for the engineering and chemical industries. The figures exclude overseas associates which will be dealt with in the annual accounts.

Guernsey-based trust launched

A Guernsey-based investment company was launched yester*day by stockbrokers Laurence, Prust. The launch is by an issue* of up to 1m £1 shares at par in Guernsey Atlantic Securities, a company which the sponsors describe as a successor to First Guernsey Securities Trust. First Guernsey was taken over by Sturla Holdings in May this year and its directors are the same men who will sit on the board at Atlantic Securities.

The company will be aiming to achieve capital growth by investing in medium sized listed companies in the UK and overseas, especially in North America.

Firm applications for 500,000 shares have already been received. The issue is not being underwritten.

APPOINTMENTS

Research director at BP Group

Professor J. I. G. Cadogan, chief scientist, BP research centre, Sunbury-on-Thames, has *been appointed research director* of the BP GROUP. Professor Cadogan joined BP as chief scientist, BP research centre in 1979, after 10 years as Forbes Professor of Organic Chemistry at the University of Edinburgh and six years as Purdie Professor in the University of St Andrews, during which period he acted as consultant to the BP Group.

★

The Trade Secretary has appointed **Air Vice Marshall Ian Pedder** to the board of the CIVIL AVIATION AUTHORITY for a three year term from *September 1. Air Vice Marshal* Pedder is deputy controller National Air Traffic Services (NATS) and his appointment to *the CAA board will coincide with* his appointment as controller NATS and promotion to Air Marshal. **Mr H. C. Partridge** has been re-appointed as a full-time member of the authority for a further term of four years from January 1 1982. **Mr J. C. Williamson** has been re-appointed as a part-time member of the authority for a further term of two years from December 1 1981.

★

Dr Christopher M. Wilson has decided to retire from ICL. He will cease to be a director on August 14. He was appointed group managing director in November 1977 and relinquished that appointment in May this year.

★

Mr Roger H. Lustig has been appointed controller of finance of the CHANNEL FOUR TELEVISION COMPANY.

★

Mr P. S. Hargreaves and **Mr R. J. Bridport**, have been appointed to the board of MIDLAND BANK INSURANCE SERVICES. Mr Hargreaves is a director and general manager, *Midland Bank Trust Company* and Mr Bridport is liaison manager, MBIS.

★

PRICE AND PIERCE MACHINERY has made the following appointments: **Mr A. C. E. Kempson**, has been *appointed managing director.* **Mr Roy J. Hutchings** has been made commercial director in succession to **Mr D. N. Whittaker** who has taken up an appointment outside the group. **Mr Michael A. Marshall**, director of marketing and product development, becomes technical director in succession to **Mr Colin Halliwell**, who has been appointed director in charge of the Jencopack division.

★

The Employment Secretary has appointed **Mr R. F. Eberlie** as a member of the HEALTH *AND SAFETY COMMISSION. He* succeeds **Mr M. Cobb** who resigned from the Commission on July 31 on his retirement from the CBI.

★

Mr Jeremy Fermo, chairman of POSIDATA has decided to take early retirement to devote his time to other business interests.

★

Mr G. R. Dowson has been appointed chairman of MARINEX PETROLEUM. He replaces **Mr A. J. Goodfellow** who steps down from the chair for personal and health reasons but *remains on the board.*

★

Mr H. C. Hiskett has resigned as a director of TRANSPARENT PAPER.

★

MASSEY-FERGUSON has appointed **Mr Michael R. Hoffman** vice-president, Europe, world export and southern hemisphere and will be based in the UK. Mr Hoffman was previously vice-president technical *and vice-president southern* hemisphere and before that chairman of Perkins Engines.

★

Mr Robert E. Fox has relinquished his position as managing director, exploration and production of LONDON AND SCOTTISH MARINE OIL *COMPANY (LASMO)* and is now based in the U.S. He remains a director of LASMO and president of Bates Oil Corporation. **Mr R. A. Fowle** has been appointed an executive director of LASMO with responsibilities for exploration and production.

★

Mr Colin Bruder has become sales director of RENAULT UK in succession to **Mr Giancarlo** *Giardino, who is moving to Paris* to be responsible for Renault branches and for sales organisation with the European export division. Mr Bruder was previously with Mars.

★

Mr John Cole, deputy editor of the Observer, has been appointed the BBC's political editor. He will take up his post in the early autumn. He succeeds **Mr John Simpson** who joins BBC Television News as a *presenter correspondent where* his duties will continue to include political reporting.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE

ISSUES OF GOVERNMENT STOCK

The Bank of England announce that Her Majesty's Treasury has created on 31st July 1981, and has issued to the Bank, an additional amount of £250 million of each of the Stocks listed below:

12½ PER CENT EXCHEQUER STOCK 1994

12½ PER CENT TREASURY STOCK 2003-2005

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 31st July 1981 as certified by the Government Broker.

In each case, the amount issued on 31st July 1981 represents a further tranche of the relevant Stock, ranking in all respects *pari passu* with that Stock and subject to the terms and conditions of the prospectus for that Stock, save as to the particulars therein relating to the amount of the issue, the price payable, the method of issue and the first dividend payment. *Copies of the prospectuses for the Stocks listed above*, dated 5th August 1977 and 17th November 1978 respectively, may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

Application has been made to the Council of The Stock Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable at par, and interest is payable half-yearly, on the dates shown below:

Stock	*Redemption date*	*Dividend dates*
12½ per cent Exchequer Stock 1994	22nd August 1994	22nd February 22nd August
12½ per cent Treasury Stock 2003-2005	21st November 2005, or on or at any time after *21st November 2003* subject to not less than three months' notice	21st May 21st November

The *further* tranche of 12½ per cent Treasury Stock 2003-2005 will rank for a full six months' interest on 21st November 1981. Dealings in the further tranche of 12½ per cent Exchequer Stock 1994 for settlement prior to 22nd August 1981 will, in common with the existing Stock, be effected on an ex-dividend basis.

BANK OF ENGLAND
LONDON
31st July 1981

BASE LENDING RATES

A.B.N. Bank .... 12 %	■ Guinness Mahon ...... 12 %
Allied Irish Bank ...... 12 %	■ Hambros Bank .... 12 %
American Express Bk. 12 %	Heritable & Gen. Trust 12 %
Amro Bank .... 12 %	■ *Hill Samuel* ....§12 %
Henry Ansbacher ...... 12 %	C. Hoare & Co. ....†12 %
AP Bank Ltd. .... 12 %	Hongkong & Shanghai 12 %
■ Arbuthnot Latham ... 12 %	Knowsley & Co. Ltd. ... 12½ %
Associates Cap. Corp. 12 %	Langris Trust Ltd. ..... 12 %
Banco de Bilbao ...... 12 %	Lloyds Bank .... 12 %
BCCI .... 12 %	Mallinhall Limited ... 12 %
Bank of Cyprus .... 12 %	Edward Manson & Co. 13 %
Bank of N.S.W. .... 12 %	Midland Bank .... 12 %
Banque Belge Ltd. ... 12 %	■ Samuel Montagu ...... 12 %
Banque du Rhone et de la Tamise S.A. ..... 12½ %	■ Morgan Grenfell .... 12 %
Barclays Bank .... 12 %	National Westminster 12 %
Beneficial Trust Ltd.... 13 %	Norwich General Trust 12 %
Bremar Holdings Ltd. 13 %	*P. S. Refson & Co.* ... 12 %
Bristol & West Invests. 13 %	Ryl. Bk. Canada (Ldn.) 12 %
Brit. Bank of Mid East 12 %	Slavenburg's Bank ... 12 %
■ *Brown Shipley* .... 12½ %	E. S. Schwab .... 13 %
Canada Perm't Trust... 13 %	*Standard Chartered* ...‖12 %
Cayzer Ltd. .... 12 %	Trade Dev. Bank ...... 12 %
Cedar Holdings .... 12 %	Trustee Savings Bank 12 %
■ Charterhouse Japhet... 12 %	TCB Ltd. .... 12 %
Choulartons .... 12 %	United Bank of Kuwait 12 %
C. E. Coates .... 12 %	Whiteaway Laidlaw ... 12½ %
Consolidated Credits... 12 %	Williams & Glyn's ..... 12 %
Co-operative Bank ......*12 %	Wintrust Secs. Ltd. ... 12 %
Corinthian Secs. .... 12 %	Yorkshire Bank .... 12 %
The Cyprus Popular Bk. 12 %	■ Members of the Accepting Houses Committee.
Duncan Lawrie .... 12 %	* 7-day deposits 9%, 1-month 9½%. Short term £4,000/12 months 11.85%.
Eagil Trust .... 12 %	
E. T. Trust Limited ... 12 %	
First Nat. Fin. Corp.... 14 %	† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10%, and over £50,000 11%.
First Nat Secs. Ltd. ... 14 %	
Robert Fraser .... 12 %	
Antony Gibbs .... 12 %	‡ Call deposits £1,000 and over 9%.
Greyhound Guaranty... 12 %	§ Demand deposits 9½%.
Grindlays Bank ....‡12 %	‖ 21-day deposits over £1,000 10½%.

LONDON TRADED OPTIONS

July 31 Total Contracts 1069. Calls 894, Puts 175.

Option	Ex'rcise price	Oct. Closing offer	Vol.	Jan. Closing offer	Vol.	April Closing offer	Vol.	Equity close
BP c	280	49	5	58	—	70	—	320p
BP c	300	31	4	46	—	56	—	,,
BP c	330	18	7	36	2	—	—	,,
BP c	360	9	50	18	3	—	—	,,
BP c	390	4	80	10	1	—	—	,,
BP p	280	3	—	7	10	12	—	,,
BP p	300	9	1	13	—	21	—	,,
BP p	330	13	—	21	1	—	—	,,
BP p	360	36	—	38	4	—	—	,,
CU c	180	17	3	26	—	29	1	181p
CU c	200	10	—	15	6	20	2	,,
Cons. Gld c	460	40	5	55	—	70	—	475p
Cons. Gld c	500	22	5	38	7	—	—	,,
Courtlds c	60	7½	4	12½	45	15	—	63p
Courtlds c	70	3½	29	6	4	9½	16	,,
GEC c	650	105	—	130	10	—	—	743p
GEC c	700	65	5	90	—	110	—	,,
GEC c	750	30	5	57	—	75	4	,,
Grd Met. c	200	17	3	25	—	30	—	206p
Grd Met. c	220	6	12	13	—	17	—	,,
Grd Met. p	200	8	2	11	—	13	—	,,
Grd Met. p	220	21	10	22	—	24	—	,,
ICI c	240	42	1	—	—	—	—	280p
ICI c	260	23	11	40	—	48	1	,,
ICI c	280	15	15	26	1	36	—	,,
ICI c	300	5	1	14	—	—	—	,,
ICI p	260	7	25	12	—	16	—	,,
Mks & Sp c	140	3	5	7½	—	—	—	127p
Shell c	360	46	6	56	5	70	—	394p
Shell c	390	22	—	38	2	50	—	,,
Shell c	420	10	12	23	—	—	—	,,
		August		November		February		
Barclays c	420	23	38	30	—	50	—	435p
Barclays c	460	5	3	15	—	30	2	,,
Imperial c	60	3½	50	4½	22	6½	18	62p
Lasmo c	600	17	6	47	—	75	1	583p
Lonrho c	90	3½	12	7	10	10	36	91p
Lonrho c	100	1	—	3½	—	6	36	,,
Lonrho p	90	2½	25	6	4	7½	—	,,
Lonrho p	100	9	6	15	4	15	—	,,
P & O c	130	3	—	14	—	16	2	125p
Racal c	390	45	15	63	—	80	—	432p
Racal c	420	21	60	41	17	57	1	,,
Racal c	460	5	1	19	52	35	2	,,
Racal p	390	2	65	9	—	11	—	,,
RTZ c	[illegible]							
RTZ c	[illegible]							

C=Call P=Put

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
110	100	ABI Hldgs 10pc CULS	113	—	10.0	9.1	—	—
76	39	Airsprung	66	—	4.7	7.1	10.5	14.5
52	21	Armitage and Rhodes	45	—	1.4	3.1	12.5	42.5
200	92½	Bardon Hill	198	—	9.7	4.9	5.6	11.7
104	88	Deborah Services	102	—	5.5	5.4	5.0	9.6
126	88	*Frank Horsell*	100	—	6.4	6.4	3.0	21.7
110	33	Frederick Parker	65	—	1.7	2.6	23.3	—
110	64	George Blair	64	—	3.1	4.8	—	—
113	58	Jackson Group	109	—	7.0	6.4	3.4	7.7
130	103	James Burrough	129	—	8.7	6.7	9.4	11.8
334	244	Robert Jenkins	304	—	31.3	10.3	4.2	10.7
59	50	Scruttons "A"	58	—	5.3	9.1	8.9	8.3
224	191	Torday	191	—	15.1	7.9	7.3	12.6
23	8	Twinlock Ord.	14½	—	—	—	—	—
90	88	Twinlock 15pc ULS	77	—	15.0	19.5	—	—
50	35	Unilock Holdings	38	—	3.0	7.9	5.8	9.3
103	81	Walter Alexander	98	—	5.7	5.8	5.4	8.6
253	181	W. S. Yeates	244	—	13.1	5.4	4.8	9.4

THE TRING HALL INDEX

121.8 (−0.3)

at close of business 31.7.81

BASE DATE 10.11.80 100

Tel:01-248 3675

CORAL INDEX

Close 525-530 (+1)

SPAIN

July 31	Price %	+ or −
Banco Bilbao	348	+6
Banco Central	378	+8
Banco Exterior	380	+5
Banco Hispano	321	+6
Banco Ind. Cat.	120	
Banco Santander	410	+9
Banco Urquijo	228	+4
Banco Vizcaya	374	+6
Banco Zaragoza	246	
Dragados	206	+3
Espanola Zinc	77	
Fecsa	69.5	+0.5
Gal. Preciados	59	
Hidrola	76.2	+0.2
Iberduero	66.5	+0.3
Petroleos	123.7	+3.7
Petroliber	133	
Sogefisa	59	
Telefonica	77.2	
Union Elect.	74.7	+0.5

WORLD STOCK MARKETS

Wall St continues to rally

THE RALLY continued on Wall Street yesterday, when investors remained hopeful that interest rates will ease in the near future.

By 1 pm the Dow Jones Industrial Average was up 5.61 to 950.72, making a rise of 13.98 on the week, while the NYSE All Common Index at $75.85, rose 44 cents on the day and $1.25 on the week. Advances led declines by about a two-to-one majority in a volume of 32m shares.

The Stock Market continued to react to the decline in the Federal Funds rate from its recent highs. It was last quoted at 17½ per cent, unchanged from the opening. In addition, the cut in Broker Loan rate to 19 per cent from 19½ per cent by Irving Trust was viewed as possibly foreshadowing a drop in the Prime rate.

Conoco were again the focus of the market's attention, easing $¼ to $90¼ in active trading.

Du Pont rose $¼ to $45¼—it said the Justice Department challenged only one aspect of its proposed merger with Conoco, Conoco's interest in a joint petrochemical venture with Monsanto. Du Pont also said it plans to begin paying for up to 38.7m Conoco shares tendered for cash promptly after the August 4 withdrawal date.

Mobil, another suitor, said it expects significant antitrust developments this weekend. It rose $¾ to $30¾.

Seagram, up $1 to $53½, said the Securities and Exchange Commission will not extend the time under which Conoco shareholders can withdraw the stock tendered to Seagram, and said it is seeking relief from a Florida Court decision temporarily barring it from completing its tender offer.

Coastal Corp declined $1¾ to $53—it expects to report a second quarter loss and a significant decline in full-year earnings, and may discontinue some unprofitable operations.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index was off 0.22 to 360.44, making a loss of 6.25 on the week.

Active Kirby Exploration, which jumped $7⅞ prior to a trading halt Thursday, came back $1½ to $43.

Canada

Further losses were recorded by midday, when the Toronto Composite Index was off 3.4 at 2,234.9.

The Metals and Minerals Index shed 13.0 to 2,270.2; Oil and Gas 18.1 to 4,763.5, Utilities 0.69 to 262.88 and Banks 0.62 to 348.55. Golds, however, put on 25.0 to 3,706.9.

Paris

Share prices eased in moderate trading but there were no major new factors behind the decline.

Thursday's firm trend on Wall Street and further calls in French interest rates, including the Bank of France's Money Market intervention rate which fell to 17¼ per cent from 17½ per cent, did little to encourage sentiment.

In easier Oils, Elf lost Frs 4 to 358 after saying its Elf Gabon subsidiary struck oil offshore Gabon and is studying the possibility of quickly bringing the field on stream.

Peugeot eased to Frs 148 after its subsidiary Citroen said it planned 11 days' layoffs for 30,000 workers before the end of the year.

In the Foreign sector, Americans firmed, as did Germans, Japanese, Dutch, Oils, Gold Mines and Coppers.

Germany

Higher in lively trading with Brokers noting heavy demand from Domestic and Foreign investors earlier in the session. Near the end, however, profit-taking reduced the market's overall performance somewhat.

Steels posted broad gains after a support programme for the Steel Industry was announced by the West German Government late Thursday. The news sparked renewed interest in Steels, following weeks of neglect because of uncertainty regarding the Federal Government's intentions in aiding the industry to counter State-subsidised competition in neighbouring countries.

Thyssen paced the sector with a DM 3.90 gain, while Kloecknerwerke rose DM 3.50.

In Electricals, Siemens lost DM 2.7 on reports that a Siemens traffic light producing unit will introduce short shifts later this summer.

Foreign interest also stimulated Machine Makers.

Schering moved up a further DM 5 in higher Chemicals.

Department Stores were substantially lower as Kaufhof fell DM 6 and Karstadt shed DM 4.

Domestic Bonds were steady to higher in quiet and thin trading. Shorter-term issues gained as much as DM 0.35. Mark-denominated Eurobonds were also steady with isolated shares showing small price increases.

Deutsche Bundesbank sold DM 6.9m of stock.

Milan

Stock prices continued a sharp upward trend, following active demand by Institutions.

Evidence that the market was bottoming out, after a long series of sharp losses, renewed confidence of investors.

The "big" Industrials and a number of Banking and Insurance issues were big gainers.

Hong Kong

Stock prices rallied further before the long weekend—Markets will be closed Monday for a Bank Holiday.

The Hang Seng Index rose steadily and slowly to 1719.84, up 20.45.

Prices advanced initially on reports that an overseas buyer was seeking a large block of Hongkong and Shanghai Bank shares, which moved up 20 cents to $HK17.10—dealers said the stock is becoming stronger as the date for decision on takeover of the Royal Bank of Scotland nears.

The market was given a boost Friday from remarks by the Financial Secretary saying he wouldn't encourage higher interest rates for the time being to reduce inflation.

Hongkong Telephone gained 50 cents to $HK24.4, following a rate-boost approved Thursday. It also announced a $HK 239m Rights issue.

Tokyo

Prices eased slightly with Motors, Precisions and other front runners, falling on profit-taking, while many investors stayed on the sidelines worried about the yen's continued fall against the U.S. dollar.

Although one broker said market participants appeared to be staking out positions ahead of an anticipated return of Mid East investors Monday, following the end of the Islamic Holy Fasting Month of Ramadan. He noted that the day's main gainers were "second-liners" and speculative Blue Chips that have trailed the rises of the market leaders.

Turnover 330m (270m) shares.

However, Light Electricals, Optical Fibres and Heavy Electric Machines preserved early gains.

Australia

Stock Markets traded quietly steady.

BHP rose 10 cents to A$13.15—it said on Thursday it was aware of rumours concerning a possible Convertible Note issue, but it had made no decision regarding the form, or timing, of various possible financing alternatives.

CRA held steady at A$4, despite sharp falls in the interim results of its major subsidiaries—Hamersley eased 10 cents to A$3.90 on its 84 per cent profit fall for the latest six months, and Comalco also shed 10 cents to A$1.80 on its profit statement.

Singapore

Generally firmer in active trading on fresh buying and short covering interest.

Indices

NEW YORK —DOW JONES

	July 30	July 29	July 28	July 27	July 24	July 23	1981 High	1981 Low	Since Cm'pil't High	Since Cm'pil't Low
♦Industr'ls	945.11	957.40	959.40	946.87	956.74	928.55	1024.05 (27/4)	924.66 (22/7)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	59.62	59.60	59.70	59.65	59.74	59.69	65.78 (15/1)	58.37 (7/5)	—	—
Transport.	405.03	401.04	401.10	405.05	402.17	400.97	447.38 (16/4)	379.18 (20/2)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	106.99	109.25	108.69	106.66	107.57	106.67	117.81 (6/1)	105.99 (5/5)	165.32 (20/4/62)	10.5 (28/4/42)
TradingVol 000's	41,560	37,610	35,160	33,610	38,360	41,730	—	—	—	—

♦Day's high 948.25, low 934.36.

Ind. div. yield %	July 24	July 17	July 10	Year ago (approx)
	5.83	5.70	5.72	5.76

STANDARD AND POORS

	July 30	July 29	July 28	July 27	July 24	July 23	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	146.46	145.41	146.46	146.55	144.75	145.56	157.02 (6/1)	145.20 (22/7)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	130.01	129.16	129.14	129.30	129.46	127.40	138.12 (6/1)	126.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	July 29	July 22	July 15	Year ago (approx)
Ind. div. yield %	4.88	4.95	4.83	4.79
Ind. P/E Ratio	9.24	9.10	9.31	8.23
Long Gov. Bond yield	13.70	13.65	13.14	10.97

N.Y.S.E. ALL COMMON

July 30	July 29	July 28	July 27	1981 High	1981 Low
75.41	74.95	74.94	75.32	79.14 (6/1)	72.45 (20/2)

Rises and Falls	July 30	July 29	July 28
Issues Traded	1,863	1,861	1,870
Rises	895	686	527
Falls	550	734	913
Unchanged	418	441	430
New Highs	16	17	11
New Lows	33	31	43

MONTREAL

	July 30	July 29	July 28	July 27	1981 High	1981 Low
Industrials	365.41	366.52	393.51	393.79	409.56 (27/6)	356.26 (20/2)
Combined	365.25	353.75	354.56	359.95	375.76 (27/6)	339.34 (20/2)
TORONTO Composite	2258.3	2267.6	2302.9	2251.8	2378.8 (10/4)	2151.4 (20/2)

	July 31	July 30	July 29	July 28	1981 High	1981 Low
AUSTRALIA All Ord. (1/1/80)	656.2	654.4	640.1	646.5	767.3 (6/4)	635.2 (31/7)
Metal & Minrls. (1/1/80)	511.0	512.5	517.3	525.4	735.2 (7/1)	511.0 (31/7)
AUSTRIA Credit Aktien (2/1/62)	58.54	58.04	58.21	57.97	65.48 (6/1)	57.97 (26/7)
BELGIUM Belgian SE (31/12/63)	75.63	75.57	75.12	75.43	86.16 (17/2)	69.56 (15/6)
DENMARK Copenhagen SE (1/1/73)	114.38	114.62	114.24	114.21	118.21 (8/7)	95.85 (2/1)
FRANCE CAC General (29/12/61)	88.6	89.5	90.7	91.0	112.5 (17/5)	77.3 (15.5)
Ind Tendance (31/12/80)	92.6	95.0	94.5	95.6	106.6 (15/5)	72.2 (12/6)
GERMANY FAZ-Aktien (31/12/58)	241.56	240.29	241.24	241.93	245.47 (5/7)	215.68 (3/2)
Commerzbank (Dec.1953)	739.4	735.5	736.6	783.5	749.0 (5/7)	666.4 (16/2)
HOLLAND ANP-CBS General (1970)	92.4	91.8	91.5	91.7	96.2 (24/6)	95.7 (2/1)
ANP-CBS Indust. (1970)	72.1	71.6	71.5	71.1	75.4 (22/6)	62.8 (2/1)
HONG KONG Hang Seng Bank (31/7/64)	1719.84	1699.39	(c)	1660.62	1810.20 (17/7)	1296.44 (11/5)
ITALY Banca Comm Ital (1972)	211.56	203.85	200.04	191.75	292.05 (5/6)	166.44 (24/7)
JAPAN Dow Average (16/5/49)	7623.26	7931.66	7828.56	7781.84	7926.54 (8/7)	6956.52 (13/5)
Tokyo New SE (4/1/68)	592.16	592.34	591.81	559.58	595.10 (16/7)	495.78 (5/1)
NORWAY Oslo SE (1/1/72)	154.78	156.09	157.45	156.12	138.12 (28/7)	110.34 (3/6)
SINGAPORE Straits Times (1966)	822.29	804.46	786.83	756.76	878.25 (26/6)	659.61 (2/1)
SOUTH AFRICA Gold (1958)	—	545.3	546.0	545.2	787.6 (7/1)	473.5 (3/7)
Industrial (1958)	—	613.3	614.4	612.5	663.5 (1/5)	557.2 (3/2)
SPAIN Madrid SE (30/12/80)	157.27	156.60	154.60	154.80	141.40 (17/6)	100.46 (2/1)
SWEDEN Jacobson & P. (1/1/58)	596.7	594.26	693.59	595.42	595.7 (31/7)	404.17 (20/1)
SWITZERLAND SwissBankCpn. (31/12/58)	298.2	287.2	287.6	287.6	304.2 (2/4)	279.8 (27/3)
WORLD Capital Intl. (1/1/70)	—	160.5	160.4	160.4	162.8 (6/1)	149.0 (25/7)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Conoco	972,300	90¼	+ ½	Nat Med. Care	457,000	14¾	−3⅛
Natomas	801,900	31	+ 1½	Schlitz Brew.	452,500	14½	+ ⅛
Gen. Foods	502,200	32½	− ½	[illegible]	443,700	34⅞	—
Archer-Daniels	487,500	18¾	− ⅞	Alcan Alum	416,700	30⅞	− ½
Trans World	464,600	19¼	− ⅛	UAL	337,500	21½	+ ⅛

INTERNATIONAL COMPANIES and FINANCE

Nissan reports flat group earnings

By Richard C. Hanson in Tokyo

NISSAN MOTOR, Japan's second largest car manufacturer, reported yesterday that its consolidated group net profit for the year ended March 31 was virtually unchanged at Y106.5bn ($446.59m).

Operating profit fell 24 per cent to Y182bn, however, as a result of foreign exchange translation losses amounting to Y36bn. In the previous year there was a foreign exchange gain of Y34bn.

Sales for the Nissan parent company and its 44 consolidated subsidiaries were up 10.5 per cent to Y3,649bn, of which Y633bn was attributed to consolidated subsidiaries.

The results reflected a better performance in exports and overseas sales than in the sluggish domestic market.

Per share profit reached Y67.15, 24.5 per cent higher than parent company per share profit. They were, however, at a slightly lower level than the previous year, because of an increase in capital.

The company is projecting that consolidated earnings this year will continue to be flat. Sales are forecast to rise by 5 per cent to Y3,850bn.

Nissan also said that a continued economic slowdown expected on the domestic front and restraints on car shipments to the U.S. and some EEC countries made it difficult to give a specific forecast.

In May, Nissan announced a 1.9 per cent dip in parent company net profit to Y85.9bn on a 10.1 per cent increase in parent company sales to Y3,016bn.

The company recently said it was phasing out its Datsun trade name over the next few years.

SEC proposal for cutting company disclosure costs

BY OUR NEW YORK STAFF

THE U.S. Securities and Exchange Commission has put together a package of proposed major changes in the way U.S. publicly-traded companies register securities and report their financial activities to the securities regulatory agency.

The package is the second stage of the SEC's attempt to streamline registration filings and to reduce the costs of corporaate disclosure rules for companies.

Mr John Shad, the new chairman of the SEC, described the proposals as "historic." They will be for public comment until October 31, and final rules are expected to be introduced by the end of this year or early next year.

The main proposal involves the creation of a three-tier disclosure system for securities offerings based on the size of companies. The plans include:

- Major corporations with wide followings in the market will be able to file an abbreviated registration form containing the basic information about a new offering.
- Companies whose stock is widely held but not as widely as in the first tier corporations, will also be allowed to file the abbreviated registration statement. They will also have to include an annual report to shareholders. Companies would fall in this category if they have been reporting corporate activities with the SEC for at least three years.
- All other companies would have to comply with existing filing requirements involving complete disclosure of corporate and financial activities.

Among other new proposals, the SEC plans to make it easier for companies to file registrations for new offerings that do not come to the market immediately. This would give flexibility to a company to move quickly into the market when it deems market conditions are favourable.

Another proposal would allow companies to include in a prospectus their security ratings by professional ratings services like Moody's and Standard and Poor.

These proposals are part of the SEC's general overhaul of disclosure rules aimed at creating a more coherent system. At present, there are two systems involving separate periodic reporting to the SEC and a separate registration system. The idea is to create one system to make it easier and less costly for companies which often have to file material in duplicate.

Bridgestone profit falls by 56%

BY YOKO SHIBATA IN TOKYO

BRIDGESTONE TIRE, Japan's leading tyre maker, said that operating profit in the first six months ended June 30, fell 48.4 per cent to Y15.46bn ($64.72m) reflecting the sluggishness of domestic new car sales.

Net profits were Y6.37bn down 56.4 per cent on sales of Y253.67bn, down 1.2 per cent from the previous year. Per share profits also slipped back to Y13.40 from Y35.47 in the previous year.

Sales volume of replacement tyres fell by 15 per cent contributing to the 5 per cent fall in total domestic tyre sales, which accounted for 68 per cent of the total turnover.

The company lifted overseas sales 8 per cent to account for 32 per cent of the total turnover. Total tyre sales declined by 2 per cent from the previous year.

Higher material prices lifted the cost to sales by 6.2 percentage points to 78.4 per cent of revenues. Exchange gains were trimmed to Y6.1bn, which were partly responsible for earning setbacks.

In the half-year ending December 31, the company expects demand to recover in overseas markets such as the Middle East, the U.S. and Europe. However, resistance to a mark up of export prices is expected because of heavier sales competition abroad.

The company also expects recovery in demand for replacement tyres as inventory adjustments continue. However, an expected sharp recovery in operating profits in the second half by about 40 per cent is not likely to make up for the fall in the first half. As a result, full year operating profits are projected to be Y40bn, down 14 per cent, net profits to be Y17bn, down 31 per cent, on prospective full year sales of Y540bn, up 4 per cent over the previous fiscal year.

Setback at Winsor Industrial

BY OUR FINANCIAL STAFF

WINSOR INDUSTRIAL, Hong Kong's largest quoted integrated textile company, is maintaining its final dividend at 25 cents a share, making an unchanged total for the year of 37 cents, after reporting a 17 per cent downturn in consolidated profits.

Before extraordinary items, consolidated earnings totalled HK$102.49m (U.S.$17.71m) compared to HK$123.50m a year earlier, while sales were almost static at HK$1.34bn against HK$1.32bn. Earnings per share fell to 64.7 cents compared to 77.9 cents last year.

Mr. T. K. Ann, the chairman, said that the immediate prospect for Hong Kong's textile industry is unclear and Winsor expects a reduced textile operating profit in 1981/82.

He said that group profits were achieved wholly through textile operations but textile profit fell 3.9 per cent last year on a pre-extraordinary basis and 1.2 per cent on a post-extraordinary basis. Extraordinary items brought a gain of HK$4.67m against HK$8.38m gain last year.

Chris-Craft may buy Washington Star

By Reginald Dale, U.S. Editor, in Washington

AN UNUSUAL move was under way yesterday to save the ailing Washington Star and prevent the nation's capital becoming a single newspaper city served only by the Washington Post.

Chris-Craft Industries of New York said it might buy the newspaper, which is due to close on August 7, but only if Congress enacted tax benefits that would enable it to recover up to 96 per cent of its business losses on the newspaper over the next three years. The current owner, Time Inc., says that the Star is losing $20m a year.

A Maryland Senator, Mr Charles Mathias, is pressing for a special amendment to be added to President Reagan's tax-cutting bill, approved by Congress on Wednesday, to meet Chris-Craft's request.

Justification for such special treatment would lie in the political feeling that the capital of the U.S., and the West, should not have to rely on a single paper for news and views.

CMB lifts dividend

By Kevin Rafferty in Hong Kong

CHINA MOTOR BUS intends to pay a final dividend of 35 cents, making 45 cents a share in all for the year ended June, an increase of 55 per cent over the adjusted figure of 29 cents for the previous year.

The promise of a higher dividend comes in the form of a letter to shareholders from Mr Ngan Shing-Kwan, the chairman and managing director of the bus company, in which he again urges rejection of the HK$472m (U.S.$82m) bid by Paliburg Investments for control of CMB. Mr Ngan also says that those directors and their associates who are in favour of rejecting the bid control 39.4 per cent of the company.

The forecast of an increased dividend is being made ahead of the publication of group profits for last year.

Du Pont claims lead in Conoco bid battle

BY PAUL BETTS IN NEW YORK

THE UNPRECEDENTED takeover battle for Conoco entered a crucial stage yesterday with Du Pont making a bold attempt to take the lead over its two other rivals, Seagram and Mobil.

Du Pont said yesterday the U.S. Justice Department had cleared its $7.5bn cash and share offer for Conoco except for one anti-trust aspect which the large chemicals company claimed was "insignificant."

The Justice Department has expressed concern that by acquiring Conoco, Du Pont would also acquire Conoco's interest in a petrochemical joint-venture with Monsanto in Chocolate Bayou, Texas. But Du Pont said it would get round the problem by either selling its interest in the joint-venture or by gaining full control of the petrochemical plant.

With the green light being given by the Justice Department, Du Pont said it would be in a position to start paying cash for shares tendered in its offer as early as next Wednesday, immediately after the withdrawal period for its offer expires at midnight on Tuesday.

For its part Seagram, which has been cleared by the Justice Department, will be in a position to start paying for shares today following the expiration of the withdrawal period of its offer at midnight last night.

But Seagram faces a hitch yesterday following a legal challenge by Conoco which favours a combination with Du Pont. A Florida court was due to hold an emergency hearing late yesterday to rule whether the Seagram offer violated the State's liqour laws which prevent in certain cases a liquor company owning a retailing outlet. Some Conoco petrol stations sell liquor so by acquiring Conoco, Seagram would also own these retail liquor outlets.

But the key question now rests on Mobil. The giant oil company whose $8.2bn offer tops Du Pont's and Seagram's bids said yesterday that it will be in a position to clarify its anti-trust status over the weekend. It claimed it expects to be also cleared by the Justice Department.

Downturn for Aetna Life

BY OUR NEW YORK STAFF

OPERATING income at Aetna Life and Casualty, the largest non-mutual insurance company in the U.S., dropped further in the second quarter as a result of continuing competitive pressure in the casualty and property sectors.

Earnings for the second quarter to June were $111.2m compared with $137.9m. The results are before capital losses of $1.7m against $4.8m. Half-year net income, again before capital gains, totalled $207.7m, against $260.6m.

The company said that while casualty-property business continued to be unsatisfactory, it expected an improvement for the balance of the year, reflecting steps taken to step up premiums.

Capital gains in the six months totalled $7.3m compared with $400,000. Net earnings per share came to $2.67, compared with $3.23.

Sharp gain at Greatermans

BY JIM JONES IN JOHANNESBURG

GREATERMANS STORES, the South African retail group, reports sharply higher profits for the year ended June 31, and is increasing its dividend.

Profits before tax have moved up to R18.2m from the R10m of 1979-80 following sales growth of more than a quarter to R1bn, against R792m ($835m).

Greatermans, which takes in South Africa's largest supermarket chain, Checkers, is pushing up the dividend to 85 cents a share from 60 cents.

Although growth in retail sales is expected to slow this year after last year's record trading results, Greatermans is continuing its expansion programe. Eleven new Checkers stores are to be opened, two of them hypermarkets.

Supermarket retailing is seen as the group's main target growth area. It sees less scope for growth in department stores.

Citicorp eyes sale of Citibank U.S. assets

By Lachlan Drummond in New York

CITICORP, the world's largest bank holding company, is considering selling the domestic deposit and loan activities of its Citibank subsidiary as one option in its efforts to launch itself on an all out assault on the financial services market.

The slimmed down Citibank for sale would have assets of about $20bn against $100bn currently and Citicorp's $119bn.

The company has no immediate plans to sell Citibank but if it did, the first thing "would be to buy a securities firm and then an insurance company," Mr Walter Wriston, the Citicorp and Citibank chairman, said in an interview with the New York Times.

If the domestic sale took place Citicorp would have an "enormous bank overseas making a lot of money," he said, and the company would turn its New York bank branches into offices for its consumer finance subsidiary, which already has hundreds of offices throughout the U.S.

Citicorp is in the forefront of efforts to change U.S. banking laws which, with some exceptions, preclude banks from taking deposits in more than one state. They also ensure that banks do not stray from the central banking business. The laws define a bank as an organisation which accepts deposits and makes commercial loans.

Other groups including Gulf and Western and Household Finance, have got around this regulation by acquiring consumer-oriented banks and disposing of commercial loan portfolios. Thus, they can own banks without becoming bank holding companies and can provide commercial loans through other financial subsidiaries.

If Citicorp took the step of selling its local banking operations and made the securities and insurance acquisitions it would closely resemble American Express.

However, Citibank would tower above Amex in overseas banking, which at the end of 1980 accounted for $51.7bn of Citibank's total deposits of $71.77bn, and $48.4bn of total average commercial and consumer loans of $74.6bn.

COMMODITIES/REVIEW OF THE WEEK

Zinc market surges to 7-year high

BY OUR COMMODITIES STAFF

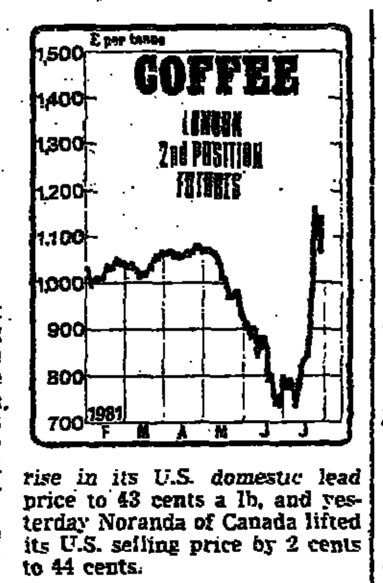
ZINC SURGED over £500 a tonne on the London Metal Exchange yesterday for the first time since 1974. Encouraged by news that Hudson Bay of Canada had raised its U.S. selling price for zinc by 3 cents to 49.25 cents a pound, the three months quotation for zinc on the Metal Exchange rose to £504.25 a tonne, £31.5 higher than a week ago. The cash price was £31 up on the week at £493.5.

Failure to settle the strike at Tara Mines in Ireland, and the threat of a stoppage at New Jersey Zinc in the U.S. where labour contracts expired last night, provided a very firm undertone to the market.

A rise in the European zinc producer price from its present level of $925 a tonne is being widely predicted. Although some producers claimed these rumours are premature, a general rise in U.S. zinc prices to 49.25 cents would increase the likelihood of a European producer price rise considerably.

Cash lead gained £20 this week to £459.5 a tonne, in spite of losing £6.5 yesterday. Although not as strong as zinc, the upward rise was encouraged by the continuing strike at Tara and the breakdown of new efforts to end the stoppage at the Amax plants in Missouri, which started on June 1.

Asarco announced a 2 cents rise in its U.S. domestic lead price to 43 cents a lb, and yesterday Noranda of Canada lifted its U.S. selling price by 2 cents to 44 cents.



Copper prices moved to the highest level since April last year. Cash wirebars gained £51.5 during the week to £963 a tonne. Copper too was boosted by a U.S. domestic price rise; Asarco raising its price by 2.50 cents to 85 cents a pound and values on the New York market finally moved ahead.

President Kaunda's move to arrest four Zambian union leaders has caused concern about the possibility of renewed stoppages on the copperbelt.

Tin had a quieter week, but the cash price still gained £127.5 to £7,882.5 a tonne. In spite of a large increase in LME warehouse stocks of tin, the shortage of nearby supplies has kept the cash price at a sizable premium.

Anticipation of the new International Cocoa Agreement coming into force provisionally today steadied the London cocoa futures market. The September position ended £17 up at £1,152.50 a tonne.

The Ivory Coast, the world's biggest cocoa producer, has shown no sign of relenting in its opposition to the pact but with most other producers and some leading consumers (including the EEC) agreeing to apply it there seems some hope that it might succeed in its aim of stabilising prices.

Coffee continued to be dominated by concern over the state of the Brazilian crop following last week's frost. Prices rose early in the week after the Brazilian Coffee Institute (IBC) estimated that 45 per cent of the 1982-83 crop had been lost. But the market fell back as speculators took their profits. By last night's close September coffee futures were quoted in London at £1,062 a tonne, down £55.50 on the week. The IBC has lifted its minimum export price on top grade coffee from $1.07 to $1.20 a lb to reflect the recent market rise.

World Sugar continued to be fairly quiet with the October futures position finishing £4.55 down at £217 a tonne. Export allotments at the export tender in Brussels on Tuesday were slightly lower than expected at 43,000 tonnes.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1260/1280	+70		$1680/1680	$1155/165
[illegible]					

BASE METALS

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £953.5, 54, three months £960, 79, 78.5, 80, 81, 80, 79.5, 80, 81. Cathodes, cash £950. Kerb: Wirebars, three months £981, 81.5, 80. Afternoon: Wirebars, three months £965, 86, 85.5, 85, 84.5, 85, 85.5, 87.5, 88, 89, 88.5, 88, 86.5, 89, 89.5. Kerb: Wirebars, three months [illegible] 92, 92.5, [illegible] 95, 96, [illegible] tonnes.

[illegible]

SILVER

Silver was fixed 3.2p an ounce higher for spot delivery in the London bullion market yesterday at 456.65p. U.S. equivalents of the fixing levels were: spot $9.57, up 9.8c; three-month $9.87, up 8.2c; six-month $9.3, up 8.2c; and 12-month $10.09, up 18.8c. [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GAS OIL FUTURES

[illegible]

WOOL FUTURES

[illegible]

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Aug 112.00, Sept 111.00, Oct 112.75 transhipment [illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

AMERICAN MARKETS

NEW YORK, July 31

Coffee was sharply higher on dealer buying and on a potential default in making deliveries. Sugar came back strong on rumours of force majeure on Brazilian shipments and on lighter than expected EEC tenders. Cotton rallied on very favourable export sales reported for last week with China [illegible]

Cotton—No 2: Aug 75.05-77.00 (77.00), Oct 74.35 (74.95), Dec 75.25-75.45, Mar 77.45-77.55, May 79.50, July 81.10-81.50, Oct 79.85-80.10, Dec 79.90-80.00. Sales: 4,000.

Orange Juice—Sept 131.20-131.40 (133.45), Nov 134.30-134.40 (135.60), Jan 137.80-138.00, Mar 139.70-140.00, [illegible]

CHICAGO, July 31

Lard—Chicago loose 22.25 (same).

Live Cattle—Aug 67.05-66.90 (66.12), Oct 65.05-64.90 (64.47), Dec 66.00-65.70, Feb 66.10-65.85, April 66.45-66.35, June 67.02, Aug 66.95.

Live Hogs—Aug 50.35-50.40 (48.32), Oct 49.30-49.40 (47.82), Dec 52.32-52.45, Feb 54.32, April 52.80, June [illegible]

CHICAGO, July 30.

Chicago Imm Gold—Aug 404.5 (405.0), Sept 408.8-409.8 (408.8), Dec 424.0-425.0, Mar 440.0, June 455.3, Sept 471.8, Dec 488.0, Mar 504.4, June 521.0.

Thursday's closing prices

[illegible]

INDICES

FINANCIAL TIMES

July 30	July 29	Month ago	Year ago
275.87	274.81	250.32	275.57

(Base: July 1, 1952=100).

MOODY'S

July 30	July 29	Month ago	Year ago
1070.5	1067.0	1058.6	1202.0

(December 31, 1931=100)

DOW JONES

Dow Jones	July 30	July 29	Month ago	Year ago
Spot	388.24	387.60	372.00	436.9
Fut'rs	395.12	396.58	374.31	447.93

(Average 1924-25-26=100)

REUTERS

July 31	July 30	M'nth ago	Year ago
1750.0	1755.2	1771.1	1710.1

(Base: September 18, 1931=100)

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne for home trade and £[illegible] for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for July 30: Daily price 16.72 (16.99); 15-day average 16.64 (17.59).

★

LONDON POTATO FUTURES—The market opened around £3 lower, but quickly found buyers, touching off further stop-loss trading before settling. Profit-taking trimmed values but Nov and Feb found further support to close steady while April eased, reports Coley and Harper. Closing prices: Nov 56.00, −0.50 (high 39.50, low 35.00); Feb 19.50, −0.50 (high 25.00, low 17.50); April 32.00, −2.00 (high 38.00, low 27.00). Turnover: 1,035 (1,018) lots of 40 tonnes.

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.40, codlings £1.50-£3.20. Large haddock £1.20-£2.50, medium £1.20-£2.40, small £1.00-£1.80. Large plaice £3.40-£4.50, medium £3.40-£4.60, best small £2.20-3.50. Skinned dogfish (large) £7.00-£7.60, (medium) £5.50-£5.50. Lemon soles (large) £7.50, (medium) £5.50. Rockfish £1.00-£3.00. Reds £1.60-£1.80. Saithe £1.20-£2.40.

Workers picket meat factory

OVER 250 workers at the meat processing factory of Meade Buswell at Blisworth, Northants., were on strike yesterday in a dispute over pay rates. Pickets turned away lorries at the gates and production was severely affected.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous three business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. Φ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $My—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (407)

Minster Assets 72 3
Morgan (J. P.) ($2.50) 29 (28/7)
National Bank of Australasia ($A1) 165 8 70
National Westminster Bank (£1) 389 90 2 3 4 5 7 8 400 2
Ottoman Bank (Br) (£20 with £10pd) 48 (28/7)
Royal Bank of Canada (C$1) 12
Royal Bank of Scotland Group 188 9 90 1 2
Schroders (£1) 475 (27/7)
Seccombe, Marshall and Campion (£1) 235 (27/7)
Smith, St Aubyn (Hldgs.) 156
Standard Chartered Bank (£1) 650 3 7

BREWERIES (272)

COMMERCIAL (4,806)

A—B

AAA Industries 40
A & H 202 3 5 6
A.B Electronic Prods. 147 50
AE 35 6
AGB Research (10p) 265 7 9 71 2 4. New Ord. (10p) 268 70
A1 Industrial Prods. 22
APV Hldgs. (50p) 241 8
Aaronson Bros. (10p) 51
Abbey (Ir£0.25) Ir£0.45 (28/7)
Abbott Labs. (NPV) 14 (27/7)
Abercom (R0.30) 168
Aberdeen Const. 187Φ
Aberthaw Brist. Chan. 315 (28/7)
Acrow 54. NV A 27 8. 8pc PtlyCnv.Ln. £47Φ

Comfort Hotels Intnl. (10p) 20 1
Concentric (10p) 34
Concord Rotaflex (10p) 50
Conder Intnl. 129 (27/7)
Continuous Stationery (10p) 39 (24/7)
Cook (W.) Sons (Sheffield) (20p) 10 (27/7)
Cooper (F.) (Holdings) (10p) 20
Cooper Industries (10p) 11 2 (27/7)
Cope Allman Intnl. (5p) 42 3
Copson (F.) (5p) 17Φ 60 90
Copydex (10p) 37 (27/7)
Coral 34
Cornell Dresses (5p) 172 7 (28/7)
Cory (H.) (5p) 15 (28/7)
Cosalt PLC 27 9
Costain Group 214 6
Countryside Properties 97 (28/7)
Courtaulds 64 5
Courtney Pope (Hldgs.) (20p) 38 (23/7)
Courts (Furnishers) 83 (24/7). Non-vtg. A 76
Cowan de Groot (10p) 46Φ

Eurotherm Intnl. (10p) 287 (28/7)
Eva Industries 38 40
Evode Hldgs. (20p) 70
Excalibur Jewellery (5p) 14
Expanded Metal 53 (28/7)
Extel Group 211 3. New (nil pd.) 32 3

FMC 79Φ
Fairclough Construction Group 114 (28/7)
Fairdale Textiles (5p) 16 (28/7). A (5p) 16 (27/7)
Fairview Estates (50p) 122 3 4 5
Farmer (S. W.) Group 182 4 (27/7)
Farnell Electronics (20p) 513 5
Fashion General Invest. (5p) 265 (28/7)
Feb Intnl. (10p) 68 (27/7). A (10p) 61 2 4 (28/7)
Feedex Agricultural Inds. (10p) 32
Fenner (J. H.) (Hldgs.) 143
Ferguson Industrial Hldgs. 76
Ferranti (50p) 565 70 8
Ferry Pickering Group (10p) 99 100

Tavener Rutledge Ord. (25p) 30 (27/7)
Taylor Woodrow Ord. (25p) 562

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 14	Nov. 5	Nov. 16
Aug. 17	Aug. 28	Nov. 19	Nov. 30
Sept. 7	Sept. 18	Dec. 3	Dec. 14

For rate indications see end of Share Information Service

Calls were taken out in Grindlays, Premier Oil, Illingworth Morris, Fobel International, FNFC, Clyde Petroleum, Target Petroleum, Carpets International and Eglinton Oil. No puts or doubles were reported.

Calor Gas promises not to bring back 'unfair' practices

BY GARETH GRIFFITHS

THE CALOR GROUP, which supplies more than 70 per cent of the UK market for liquefied petroleum gas in containers, has promised the Government it will not re-introduce trading practices which the Monopolies Commission found unfair earlier this year.

The two trading practices which the commission found unfair had already been discontinued by Calor at the time of the commission's investigation. They were Calor's practice of requiring its distributors to buy appliances only through itself and a provision in agreements that prevented distributors from handling other suppliers' liquefied petroleum gas for a certain time after ending with Calor.

In its report on Calor in February, the Monopolies Commission cleared the group of any abuse of its monopoly powers. It suggested, however, that the company should not reintroduce the two unfair trading practices.

Calor has told the Department of Trade that it will no longer use the expression "suitable for Calor Gas only" or an expression conveying the impression that appliances are not suitable for use with LPG supplied by other companies. The company is giving more prominence to refund clauses in its agreement forms and is also improving the availability of information about its Calor Gas Approved scheme.

Mrs Sally Oppenheim, the Consumer Affairs Minister, said yesterday that Calor had shown a constructive approach to the Monopolies Commission findings. The undertakings were sufficient to remedy the potential faults outlined in the commission's report.

Fair deal urged for coloured young people

BY RICHARD EVANS, LOBBY EDITOR

MR ROY HATTERSLEY, shadow Home Secretary, called yesterday for a legal obligation to be placed on all employers to use their "best endevaours" to ensure that ethnic minorities were properly represented in every workforce.

"Without such affirmative action the young blacks and Asians will beheld back permanently. . . . I do not pretend that positive discrimination in their favour will be popular, but it is right and it is necessary for the peace and prosperity of the whole community." Mr Hattersley told the Richmond constituency Labour Party in North Yorkshire.

His theme was that the time had come to change the law so that employers, both public and private, were obliged to give coloured young people a fair deal.

He did not ask for quotas, but he believed there should be a legal obligation on all employers to ensure that ethnic minorities were properly represented by signing them on when there were vacancies and promoting them according to their abilities.

Mr Hattersley feared that unless there were a radical shift in attitudes the policy paper on inner city deprivation, shortly to be prepared by the Labour Party's National Executive Committee, would fail woefully to face one of the major crises confronting the decaying centres of many UK cities. That crisis was the appalling employment prospects for young black workers.

In Mr Hattersley's view both Asian and West Indian workers were subject to constant employment discrimination—sometimes intentional, sometimes unconscious but always morally wrong.

MONTHLY AVERAGES OF STOCK INDICES

—	July	June	May	April
Financial Times				
Government Securities	64.31	62.22	66.99	69.43
Fixed Interest	66.38	67.72	69.07	71.25
Industrial Ordinary	528.1	545.0	557.8	559.2
Gold Mines	313.0	326.2	360.9	350.7
Total Bargains	17,890	19,328	20,684	27,673
F.T.— Actuaries				
Industrial Group	293.96	296.66	297.84	297.08
500 Share	327.45	332.11	339.79	337.09
Financial Group	266.33	257.24	252.10	259.67
All-Share (750)	315.46	316.97	321.53	320.72

	High	Low
Industrial Ordinary	548.7 (1st)	512.2 (21st)
All-Share	322.49 (3rd)	309.42 (21st)

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
British Home Stores	144	+ 8	Milford Docks	123	+ 5
Charter Consolidated	243	+ 8	Raybeck	54	+ 9
Commercial Union	161	+ 3	RTZ	565	+ 7
GRE	344	+ 6	Royal Insurance	383	+13
Imperial Group	62	+ 3	Tilling (T.)	169	− 4
Midland Bank	333	+ 8	Unochrome	20	+ 3½

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in the SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
ICI	21	278	+10	Fisons	9	145	+ 5
RTZ	19	558	+13	Glaxo	9	380	+ 6
Sedgwick Gp.	13	134	− 5	Royal Ins.	8	370	− 8
Reed Int.	11	288	+11	Chloride	8	24	—
NatWest Bk.	10	395	− 5	Euro. Ferries	8	85	—
Barclays Bk.	9	430	− 8	Thorn EMI	7	452	+ 2
Cns Gld Fields	9	470	+ 5	Trusthse. Forte	7	139	+ 3

4-DAY ACTIVE STOCKS

Based on bargains over the four day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
ICI	71	278	+18	Ultramar	50	512	+12
NatWest Bk.	61	395	−17	Barclays Bk.	47	430	−12
RTZ	59	558	+31	BP	44	320	+10
Buls Res.	58	44	+ 9	Law Land	44	112	−11
BAT Inds.	52	375	+28	Shell Trans.	43	394	+12
GEC	52	738	+ 5	Thorn EMI	43	452	+ 4
Burmah Oil	50	133	+ 8	Ofrex	39	158	+36

INVESTMENT TRUSTS (276)

[illegible]

UNIT TRUSTS (18)

[illegible]

MINES—South African (88)

[illegible]

MINES—Miscellaneous (226)

[illegible]

OIL (333)

[illegible]

PROPERTY (244)

[illegible]

Dawn Development 50
Dares Estates (10p) 21 ½ 2 ½
English Property 12pcLn. 89
Espley-Tyas Property Group 73 4 5 7
Estates Agency Hldgs. 141
Estates General Invests. (20p) 32½ 4
Estates Property Invest. 154
Evans of Leeds 135 (27/7)
Ewart New Northern (£1) 170@
Federated Land 126 8 9
Five Oaks Invests. 25
Great Portland Estates (50p) 228 30 2
Green (R.) Properties (10p) 91 3
Greencoat Properties (5p) 14½

PLANTATIONS (24)

[illegible]

RAILWAYS (2)

[illegible]

SHIPPING (37)

[illegible]

UTILITIES (13)

[illegible]

UNLISTED SECURITIES MARKET (207)

[illegible]

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

[illegible]

Oriental Pets. 8 12½ (28/7)
Otter Explr. 61
Overseas Chinese Banking 270 2 (28/7)
Overseas Trust Bk. 70 3
Pacific Copper 193@ 55 (24/7)
Palliser Res. 283 5 90 1 2 5 300
Pan Pacific Pet. 2½ 18½ 19 (28/7)
Pancontinental Mining 376@ 70 5
Pancontinental Petroleum 34
Pancontinental Petroleum Optns. 26 (27/7)
Peko-Wallsend £15⅞ 20@ 395 8 400 15
Pelsart 32 (28/7)
Penn Central Corp. £22⅛
Petrobras SA £50⅛ 1 (28/7)
Petroleum Secs. Aust. 360
Phelps Dodge US$41⅛ (28/7)
Phillips Pets. £24 ⅛ (27/7)
Pioneer Concrete 12 13 (28/7)

[illegible]

Unilever NV (Fl 20) £28.55 28.60 28.80 28.85
Union Oil California 530½ (28/7)
Utd. Overseas Bank 105 8
Utd. Overseas Land 103@ 6 8 9
Utd. Plantations 132 8
Valiant Consd. 20 (28/7)
Vamgas 750
Vultan Mins. 150
Warrior Res. 165 (28/7)
West Coast Hldgs. 27 (27/7)
Westfield Mins. 77 (28/7)
Wesfort Pet. 105 (28/7)
Westmex 17 (24/7)
Wheelock Marden A 72 ½ 1 (28/7)
Wheelock Marden B 4½ 5⅛ (28/7)
Wheelock Maritime B 4 (28/7)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

[illegible]

Dollar Land 31 (28/7)
Dundee (Angus) Ice Rink 350 (28/7)
ESI London Ptd. 700 5 (28/7)
Edinburgh Secs. 224 (27/7)
Eldridge Pope A 285 (28/7)
Exchem 70
Exeter Bldgs. Constrn. 140 (28/7)
Gaelic Oil 325 30 5 40
Gaelic Oil New (Nil Pd.) 150 60
Gibbs (M.) 218 20 (28/7)
GRA Prop. Tst. 11½ ⅝ ¾ 12
Harrison Cowley 81 (24/7)
Hemerdon Mng. and Smelting 56
Hydro Hotel, Eastbourne 300 (24/7)
Intervision Video (Hldgs.) Ptd. 42 4 5
Intervision Video (Hldgs.) 7pcCnv.Pf. 154
Jenkin and Purser 7½ (24/7)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems 92 (28/7)
Aran Energy 56 62 3
Atlantic Resources 320 5 8 30
Berkeley Exploration and Production 393 5 7 8 400
Candecca Resources 206 7
Eglington Oil and Gas 105 9 (28/7)
New Court Venturers 130
Mermex Petroleum 155 7 8
Steaua Romana (British) 67 8 70 1 (28/7)
Sun Oil (UK) Oil Royalty 320 (28/7)

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Basildon (0268 22881)	13⅝	½-year	5,000	6-10
Knowsley (051-548 6555)	12⅞	½-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—	
Alliance	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50	5 yrs., 9.50 1 mth notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50	1 month's notice deposit
Bridgwater	8.35	8.50	10.00	10.50	5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	9.50	9.75	9.25	3 months' shares. Escalator shares 9.00-10.50 (1-5 years)
Britannia	8.25	8.50	9.75	10.00	5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50	5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—	
Catholic	8.25	8.75	9.75	—	8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50	5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—	
Citizens Regency	—	8.75	10.00	10.75	5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	9.41	9 mth. withdraw., increment sh.
Coventry Economic	8.25	8.50	9.75	10.00	4 yrs., 9.50 3 yrs., 9.25 3 mths.
Coventry Provident	8.35	8.50	10.50	10.55	av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	9.00	to 9.50 3 months
Ealing and Acton	8.25	9.00	—	9.65	2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	—	Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	9.50	2 yrs., 9.75 3, 10.25 4, 10.75 5 yrs.
Guardian	8.25	8.75	—	10.00	3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	—	3 mths. notice 9.05, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00	4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25	6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75	5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10	(1 year)
Leeds Permanent	8.25	8.50	9.75	9.25	E. I. a/c £500 min., 9.50 £5,000—
Leicester	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	9.55	5 yrs. 1 month interest penalty
London Grosvenor	8.25	9.00	11.00	9.50	6 months' notice
Melton Mowbray	8.35	8.60	9.75	10.10	4 yrs. 8.85 (up to £1,000) 3 mths. not. 9.60 (over £1,000) 3 mths.
Mornington	9.10	9.60	—	—	
National Counties	8.50	8.50	9.60	9.50	55 days' notice. Min. dep. £500 6 month 9.90
Nationwide	8.25	8.50	9.75	10.50	5 yrs., 9.50 1 month's notice
Newcastle	8.25	8.50	9.75	10.50	4 yrs., 9.25 3 months' notice
New Cross	9.00	9.25	—		9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50	3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00	Loss 1 mth. int. on sums wdn.
Peckham Mutual	8.50	9.00	—	10.00	2 yrs., 10.50 4 yrs.
Portman	8.25	8.50	9.75	10.50	5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.39	10.85	(5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50	4 yrs., 10.50 6 mths., 9.50 3 mths.
Provincial	8.25	8.50	9.75	10.00	3 yrs.
Skipton	8.25	8.50	9.75	*10.50*	*5 yr., 9.6-9.75 28 dys. int. on wdl.*
Sussex County	8.50	8.75	10.55		11.00-9.50 (6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50		9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75	6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—	
Woolwich	8.25	8.50	9.75	10.50	5 yrs., 8.75 6 mths. 3 months' notice account 9.50

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

Bank of England Minimum Lending Rate 12 per cent (since March 10 1981)

The average rate on this week's offering of 91-day Treasury bills rose to 13.8014 per cent at yesterday's tender from 13.7577 per cent and the minimum accepted bid fell to £96.54 from £96.57. Bids at that level were met as to about 19 per cent and above in full. The £100m of bills on offer attracted bids of £173.405m and all bills offered were allotted. Next week £100m of bills will replace a similar amount of maturities. Earlier in the day the Bank of England announced a reduction in the number of bills on offer. Originally there was to be £200m of 91-day bills and a further £250m maturing on September 1. This was later modified to £100m of each.

The bills maturing on September 1 were allotted in full at a rate of 13.46875 per cent.

In the money market day-to-day credit was in short supply. The Bank purchased bills during the morning between 12¼ per cent and 12¾ per cent for *resale on August 5 and August 6.* During the afternoon it arranged a further repurchase agreement, buying bills at 12¼-12¾ per cent for resale on August 3. Total help was *described as extremely large.* The market was faced with three factors on a moderate scale, a net take up of Treasury bills, the unwinding of a previous sale and repurchase agreement and a rise in note circulation. On the other hand there was a large excess of Government disbursements over revenue transfers to the Exchequer and banks brought forward balances a small way above target.

THE POUND SPOT AND FORWARD

July 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8390-1.8630	1.8410-1.8420	0.92-1.02c dis	−6.32	1.90-2.00dis	−4.23
Canada	2.2700-2.2940	2.2730-2.2740	1.55-1.65c dis	−8.44	4.00-4.20dis	−7.21
Nethlnd.	5.04-5.09	5.04½-5.05½	⅝-⅜c pm	0.89	2¼-1⅞ pm	1.68
Belgium	74.30-75.20	74.35-74.45	75-85c dis	−12.90	115-125dis	−6.45
Denmark	14.19-14.41	14.30-14.32	4½-5⅝ore dis	−4.24	12⅜-14¼dis	−3.74
W. Ger.	4.54½-4.59½	4.55-4.56	0.20-0.33p dis	−2.55	0.74-0.90dis	−2.53
Ireland	1.2440-1.2580	1.2450-1.2465	1⅛-⅞pf pm	2.30	2⅞-2 pm	1.57
Portugal	120.20-122.00	120.40-120.70	65-130c dis	−9.70	150-310dis	−7.63
Spain	181.50-183.80	181.65-181.95	65-90c dis	−15.58	175-225dis	−4.40
Italy	2251-2271	2252-2254	28¼-30¼lire dis	−15.55	83¼-88¼dis	−15.05
Norway	11.29-11.43	11.29½-11.31½	1⅝-⅜ore pm	1.06	2⅜-1⅜ pm	0.04
France	10.60-10.86	10.80¼-10.81¼	6⅝-7⅝c dis	−8.05	18⅝-19⅝dis	−7.12
Sweden	9.63-9.74	9.63-9.64	⅛-1⅛ore dis	−1.01	⅛ pm-⅞ dis	0.08
Japan	440-448	441-443	2.95-2.60y pm	7.52	8.40-7.95pm	7.39
Austria	31.90-32.25	31.92-31.97	8-3gro pm	2.07	18-9 pm	1.69
Switz.	3.94-3.98	3.95-3.96	2⅝-2⅛c pm	7.58	5½-5 pm	5.31

Belgian rate is for convertible francs. Financial franc 79.60-79.70.
Six-month forward dollar 3.60-3.70c dis. 12-month 5.15-5.30c dis.

EXCHANGES AND BULLION

The dollar continued to improve in currency markets yesterday while sterling tended to lose ground. Trading was rather patchy ahead of the weekend and the end of the month. The dollar closed at DM 2.4720 against the D-mark, up from DM 2.4560 on Thursday, helped by end-of-month book-squaring and high U.S. interest rates. Against the French franc it finished at FFr 5.8700, its best *level since 1960 and well up from* the previous close of FFr 5.8200. It was also firmer against the Swiss franc, closing at SwFr 2.1460 from SwFr 2.1280 and Y240.30 against Y238.8 in terms of the Japanese yen. This was the first time since May 1980 that the dollar finished above the Y240 level. On Bank of England figures, the dollar's trade-weighted index rose to 112.8 from 112.6.

The Canadian dollar was sharply weaker despite a record discount rate of 20.54 per cent and fell to 80.97½ U.S. cents from 81.56¼ on Thursday.

Sterling opened quite firm but lost ground steadily and then sharply in late afternoon as dollar demand increased. Against the U.S. unit it opened at $1.8600 and touched 1.8630 early on before slipping to $1.8550 at *noon. By 3 pm it had fallen* to $1.8525 and then fell quickly to a low of $1.8390 before closing at $1.8410-1.8420, a loss of 1.55c and its lowest closing level since June 1978. On Bank of England figures its trade-weighted index fell to 92.0 from 92.2, having stood at 92.4 at noon and 92.5 in the morning. Against the D-mark it fell to DM 4.5550 from DM 4.5625

GOLD

	July 31		July 30	
Gold Bullion (fine ounce)				
Close	$405-407	(£218½-219½)	$402-404	(£216¾-217¾)
Opening	$404½-406½	(£217-218)	$401-403	(£216½-217½)
Morning fixing	$405.25	(£217.900)	$402.25	(£217.315)
Afternoon fixing	$406	(£219.104)	$402.25	(£217.556)
Gold Coins				
Krugerrand	$418-419	(£226¼-226¾)	$414½-415½	(£223¾-224¼)
1/2 Krugerrand	$215½-216½	(£116½-117)	$213½-214½	(£115¼-115¾)
1/4 Krugerrand	$109¾-110¾	(£59½-60)	$109-110	(£58¾-59¼)
1/10 Krugerrand	$45-46	(£24¼-24¾)	$44½-45½	(£24-24½)
Mapleleaf	$414½-417½	(£224¼-226)	$411-414	(£222-223½)
New Sovereigns	$101½-102¼	(£55-55½)	$100½-101	(£54-54½)
King Sovereigns	$113-115	(£60½-61½)	$112-114	(£60-61)
Victoria Sovs.	$113-115	(£60½-61½)	$112-114	(£60-61)
French 20s	$114-120	(£61¾-65)	$113-119	(£61-64¼)
50 pesos Mexico	$505-508	(£273¼-275)	$501-504	(£270½-272)
100 Cor. Austria	$392-396	(£212-214¼)	$389-393	(£210-212¼)
$20 Eagles	$548-553	(£296½-299¼)	$543-548	(£293¼-295¾)

EXCHANGE CROSS RATES

July 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.842	4.555	442.5	10.808	3.955	5.050	2253.	2.274	74.40
U.S. Dollar	0.543	1.	2.474	240.3	5.869	2.148	2.742	1225.	1.235	40.40
Deutschemark	0.220	0.404	1.	97.15	2.373	0.868	1.109	494.6	0.499	16.33
Japanese Yen 1,000	2.260	4.162	10.29	1000.	24.42	8.938	11.41	5092.	5.138	168.1
French Franc 10	0.925	1.704	4.215	409.4	10.	3.659	4.673	2085.	2.104	68.84
Swiss Franc	0.253	0.466	1.152	111.9	2.733	1.	1.277	569.7	0.575	18.81
Dutch Guilder	0.198	0.365	0.902	87.62	2.140	0.783	1	446.1	0.450	14.73
Italian Lira 1,000	0.444	0.817	2.022	196.4	4.797	1.755	2.241	1000.	1.009	33.02
Canadian Dollar	0.440	0.810	2.004	194.6	4.754	1.740	2.221	991.0	1.	32.72
Belgian Franc 100	1.344	2.475	6.122	594.8	14.53	5.316	6.788	3028.	3.056	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12¾-13	18¼-18½	21-22	14-14⅛	¾-1⅛	11¼-11½	20-20½	20-25	12-14	5¾-6¼
7 days' notice	13¼-13½	18⅜-18⅝	21-22	13⅞-14	2½-3	11⅞-11⅞	19½-20	26-30	13-16	6¼-6½
Month	14⅛-14⅜	20-20¼	21¼-21⅝	13⅝-13⅞	8⅝-8⅞	12-12⅛	21½-22½	28½-30½	25¾-26¼	6⅝-6⅞
Three months	14⅜-14⅝	18⅝-18⅞	20⅞-21	13-13⅛	9⅜-9½	12⅝-12¾	21½-22½	29-30½	20¾-21¼	7⅛-7⅜
Six months	14⅝-14⅞	18⅝-18⅞	20⅝-20¾	12⅞-13⅛	9¾-9⅞	12⅝-12⅞	21½-22⅛	28½-30	19¾-20¼	7⅜-7⅝
One Year	14⅜-14⅝	17½-17¾	19¼-19⅝	12½-12⅞	9⅛-9¼	12⅜-12½	19¾-20	27-28½	18-18½	8⅛-8⅜

SDR linked deposits: one-month 16⅞-16¾ per cent; three-months 15¾-16⅛ per cent; six-months 15¾-16⅛ per cent; one-year 15⅛-15⅝ per cent.
ECU linked deposits: one-month 16⅜-16¾ per cent; three-months 16⅞-16⅞ per cent; six-months 16⅞-16⅞ per cent; one-year 15⅞-16⅛ per cent.
Asian $ (closing rates in Singapore): one-month 20¼-20½ per cent; three-months 18⅝-18⅞ per cent; six-months 18⅝-18⅞ per cent; one-year 17⅞-17⅞ per cent.
Long-term Eurodollar two-years 16⅝-16⅞ per cent; three-years 16½-16⅞ per cent; four-years 16⅝-16⅞ per cent; five-years 16¼-16½ per cent; nominal closing rates.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.25-18.35 per cent; three-months 18.25-18.35 per cent; six-months 18.20-18.30 per cent; one-year 17.00-17.20 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 31)

3 months U.S. dollars		6 months U.S. dollars	
bid 18¾	*offer 18 7/8*	*bid 18 11/16*	*offer 18 13/16*

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

July 31 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11-13½	12½-13¼	—	—	12¾-13	12-12⅞	—	—	—
2 days notice	—	—	13½-13¾	—	—	13⅝-13⅞	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅞-13½	13¾-14	—	14	—	12½	—	—	—
One month	14⅛-14½	14⅛-14⅜	14⅛	14⅞-14⅝	14⅛	14¾	13-13¼	13⅜-13⅝	13¾-13⅞	14¾
Two months	14⅛-14⅜	14½-14⅝	—	14⅞-14½	14⅛	—	13⅝	13⅞	13⅞-13⅞	14⅝
Three months	14¾-14⅝	14⅜-14⅝	14¾	14⅞-14½	14⅜	15	13⅝	13⅞	13⅞-13⅞	14⅝
Six months	14⅜-14⅝	14⅜-14⅝	14½	15⅞-15½	15	—	—	—	13⅝-13¾	14⅜
Nine months	14½-14⅝	14⅜-14⅝	—	14⅞-14½	15	—	—	—	—	—
One year	14⅜-14⅝	14½-14⅝	14½	14¾-14⅝	15	—	—	—	—	—
Two years	—	—	14⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three-years 15 per cent; four-years 15 per cent; five-years 15¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four-months trade bills 14⅝ per cent.

Approximate selling rate for one-month Treasury bills 13 7/32-13½ per cent; two-months 13⅜-13⅝ per cent; three-months 13⅞ per cent. Approximate selling rate for one-month bank bills 13½-13 9/16 per cent; two-months 13⅝-13 27/32 per cent; three-months 13¾-13 27/32 per cent; one-month trade bills 14½ per cent; two-months 14⅝ per cent; and three-months 14⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from August 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 13.8014 per cent.

CURRENCY MOVEMENTS

July 31	Bank of England Index	Morgan Guaranty Changes%
Sterling	92.0	−31.9
U.S. dollar	112.8	+5.3
Canadian dollar	86.8	−18.7
Austrian schilling	111.4	+22.2
Belgian franc	104.7	+8.6
Danish kroner	85.5	−11.6
Deutsche mark	116.2	+37.7
Swiss franc	134.8	+81.7
Guilder	107.9	+14.4
French franc	82.4	−11.7
Lira	57.5	−55.6
Yen	136.8	+30.5

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

July 31	£	$		£ Note Rates
Argentina Peso	8995-9015†	4858-4878†	Austria	31.90-32.25
Australia Dollar	1.6205-1.6245	0.8805-0.8810	Belgium	79.50-80.30
Brazil Cruzeiro	178.28-179.28	96.40-96.88	Denmark	14.32-14.47
Finland Markka	8.45-8.46	4.5730-4.5750	France	10.77-10.87
Greek Drachma	109.870-112.718	60.10-60.20	Germany	4.55½-4.59½
Hong Kong Dollar	10.69-10.71	5.7640-5.7670	Italy	2235-2295
Iran Rial	152.00*	81.60*	Japan	444-450
Kuwait Dinar (KD)	0.525-0.531	0.2840-0.2845	Netherlands	5.04¼-5.07¼
Luxembourg Fr.	74.35-74.45	40.40-40.42	Norway	11.36-11.46
Malaysia Dollar	4.36-4.37	2.3585-2.3605	Portugal	118½-126
New Zealand Dlr.	2.2220-2.2270	1.2070-1.2080	Spain	177¼-186
Saudi Arab. Riyal	6.31-6.37	3.4100-3.4175	Sweden	9.65-9.75
Singapore Dollar	3.9850-3.9960	2.1555-2.1585	Switzerland	3.94-3.98
Sth. African Rand	1.7550-1.7560	0.9530-0.9535	United States	1.84¼-1.85¼
U.A.E. Dirham	6.80-6.86	3.6700-3.6750	Yugoslavia	70-75

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,633-13,653 and for the dollar 7,390-7,400. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.3326	+1.31	+1.38	±1.5381
Danish Krone	7.91917	7.92943	+0.13	+0.20	±1.6413
German D-Mark	2.54502	2.53297	−0.87	−0.80	±1.1386
French Franc	5.99526	5.98467	−0.18	−0.11	±1.3636
Dutch Guilder	2.81318	2.80195	−0.40	−0.33	±1.5159
Irish Punt	0.685145	0.690297	+0.75	+0.82	±1.6665
Italian Lira	1262.92	1252.43	−0.83	−0.83	±4.1118

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCKS 1/8/81

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	312.00	333.3	80-97	3.9	1.0	−0.4	−4 to −1	17.2	88.6	22.8	+23.2
Hanson Trust 6½pc Cv. 88-93	3.02	157.00	57.1	76-82	4.2		−2.3	−7 to −0	4.1	3.2	−0.6	+2.3
Slough Estates 10pc Cv. 87-90	5.31	251.00	187.5	78-85	4.0		−5.1	−6 to −1	29.7	28.3	−0.5	+4.6
Slough Estates 8pc Cv. 91-94	24.58	118.00	78.0	80-91	6.8	5.7	7.3	6 to 14	29.3	46.7	44.9	+7.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Industrial leaders edge higher following another slow day's trading—British Funds turn distinctly better

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 13	July 23	July 24	Aug 3
July 27	Aug 6	Aug 7	Aug 17
Aug 10	Aug 26	Aug 27	Sept 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

London stock markets ended the wek with another uninspiring perofrmance yesterday. The tone in the equity sectors held steady to firm, while British Funds took a turn for the better after trading uncertainly for the last couple of days.

Further conflicting views about the state of the economy did little to help investment confidence, but most leading industrials edged a shade higher following Thursday's muted response to ICI's better-than-expected half-yearly statement. Trading conditions remained extremely slow and prices of the leaders moved narrowly, as reflected in the FT 30-share index. This measure recorded a rise of 1 5 at 10 am and held at the enhanced level throuhgout the day before hardening further in the late trade to close 2.2 up at 528 1. Of the index constituents, ICI improved 2 further bringing the rise, at 280p, to 12 since the figure were announced.

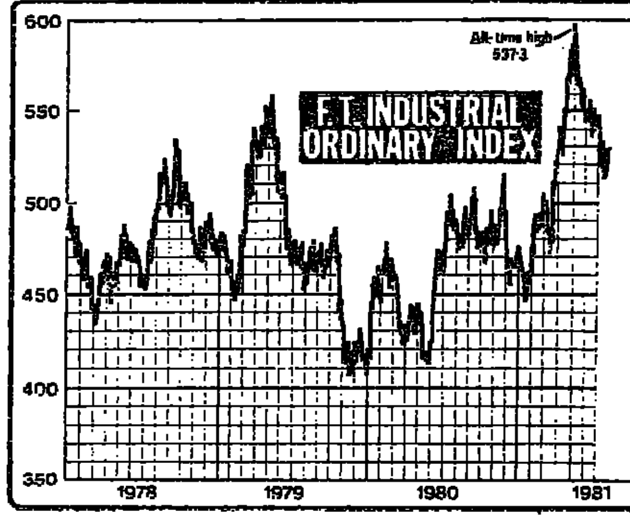
Elsewhere in equities, satisfactory half-yearly results prompted firmness, in Midland Bank with the other clearers improving in sympathy. Revived demand for Insurances found the market short of stock and left quotations with some useful gains. Of the bid situations, Ofrex remained in the limelight with Dennison returning to match the 160p counter-offer from Gallaher.

British Funds made a distinctly better showing encouraged by the ending of the long drawn-out Civil Service strike. Business again left much to be desired, but sporadic demand left the longs with gains extending to ½, and sometimes more. The 3.30 pm announcement of further £250m tranches of Exchequer 12½ per cent 1994 and Treasury 12½ per cent 2003-2005 had litle impact on market sentiment, although quotations wer cautiously widened in the late dealings.

Traded options attracted 1,069 deals, slightly up on Thursday's 1,005. The daily average over the short week amounted to 1,021, just over half the previous week's average. Racal were well to the fore yesterday, recording 128 calls and 83 puts, while Lonrho continued to attract a reasonable business in the wake of the interim figures and recorded 34 calls and 30 puts. Interest was also noted in BP and RTZ with 152 calls apiece.

Unochrome up on bid

Satisfactory interim profits fro mMidland prompted a rally in the major clearing banks which had been dull since showing disappointment with NatWest's first-half figures on Tuesday. Midland touched 336p on the statement before closing 8 up at 3[illegible]p: NatWest recovered 5 to 400p but sustained a net fall of 15 on the week. Barclays, which concludes the interim dividend season next Thursday, improved 5 to 435p as did 395p. Elsewhere Guinness Peat hardened 3 to 108p following an investment recommendation and Provident Financial added 2 afresh to 121p on renewed speculative support.



Demand for Composite Insurances found stock in short supply. Consequently, double-figure gains were commonplace. Sun Alliance jumped 28 to 938p, Royals 13 to 383p and Phoenix 10 to 274p. General Accident, 352p, and Comercial Union, 181p, which both report interim figures on August 11, rose 10 and 3 respectively. Elsewhere, comment in the wake of Thursday's announcement that the merger talks with Alexander and Alexander Services had been terminated helped Sedgwick Group pick up 8 at 142p. Marsh and McLennan eased ¾ to $13½ on the lower interim earnings.

Leading Building issues were incloide harder, but the volume of business remained small. Blue Circle, a neglected market of late, improved 4 to 460p, while Ready Mixed Concrete, 200p, and Redland, 172p, firmed 2 apiece. Tarmac also added 2, to 372, and BPB another 3 to 255p, the latter awaiting news from the annual meeting. Elsewhere, occasional support prompted a gain of 4 to 39p in Sheffield Brick and an improvement of a couple of pence to 37p in Howard Shutterings. Renewed demand left Wiggins Construct 2 up at 65p and Wilson (Connolly) 4 dearer at 146p.

Up 10 on Thursday in response to the better-than-expected interim results, ICI fluctuated narrowly before closing 2 dearer at 280p for a gain on the week of 22. Among other Chemicals, Hickson and Welch hardened 3 to 178p and Scottish Agricultural Industries 5 to a 1980 peak of 195p, but Allied Colloids shed 3 to 138p on talk that a line of shares was overhanging the market. Novo Industries B revived with a rise of 3 points to £94.

Raybeck better

Raybeck enlivened an otherwise dreary session in Stores, advancing 9 to 54p on unconfirmed reports that the company has received planning permission to develop the Bourne and Hollingsworth site in London. British Home came in for revived support and closed 8 higher at 144p, but most other leaders held at the overnight positions. Results from Wearwell proved to be much as expected and the shares closed unchanged at 39p, but Polly Peck, 352p, and Cornell Dresses, 170p, met profit-taking and shed 6 and 5 respectively. Martin Ford dropped to 23p following the interim figures and omitted dividend; support became evident at this level, however, and the shares ended a net 2 down at 24p. Further consideration of the annual results clipped 1½ from Steinberg, 19p, but Moss Bross remained firm in the wake of the Royal Wedding and added 5 for a gain on the week of 25 at 165p.

A subdued but relatively firm Electrical sector had Thorn EMI up 5 at 457p helped by Press comment. Racal added 7 at 432p and GEC put on 4 to 742p. Elsewhere, Cray Electronics hardened a couple of pence to 115p in response to the increased interim profits and Security Centres hardened the turn to 107p, also after trading news. Standard Telephones and Cables, on the other hand, cheapened 3 to 462p ahead of Monday's first-quarter results.

Movements in the Engineering leaders were restricted to a couple of pence either way. John Brown softened 2 to 87p and GKN hardened that much to 142p. Elsewhere, Vosper added 5 to 145p on an investment recommendation and Associated Tooling found support at 59p, up 3. Tace fell 3 to 17 following disappointing interim results, while G. M. Firth encountered profit-taking after recent strength and lost 6 at 134p.

Quietly firm conditions prevailed in Food Retailers. Tesco, a fraction easier awaiting news from the annual meeting, closed a penny up at 58p following the chaiman's cautiously optimistic remarks, while Kwik Save found support and rose 4 to 217p. Fitch Lovell, however, shed 2 to 73p after comment on the preliminary results, and William Low softened a penny to 174p on news that the company is closing its loss-making fast food subsidiary. Elsewhere, Press comment stimulated interest in soft drinks manufacturers, AG Barr rising 12 to 242p in a restricted market and Nickolls (Vimto) 10 to 225p.

Unochrome up on bid

News of the 21p per share cash bid from Eastern Produce helped Unochrome rise 3½ to 20p and prompted a sympathetic jump of 5½ to 34p in Silverthorne, in which Unochrome holds a 78.1 per cent stake. Elsewhere in miscellaneous industrials, reports of a 34 per cent rise in auction sales for 1980-81 helped Sothebys put on 8 to 435p, while Pauls and Whites added 6 to 153p on further consideration of the chairman's statement at the AGM. J. and J. Dyson, 46p, and A, 36p, improved 4 and 2 respectively following the preliminary results and, following renewed demand in a thin market, Amalgamated Metal advanced 15 more to 275p. On the Dennison Manufacturing / Gallaher bid situation, Ofrex improved 2 more to 160p, after 162p. By way of contrast, Hoover A lost 4 to 115p on nervous offerings ahead of Thursday's interim figures, while Thomas Tilling dipped 4 to 118p following U.S. acquisition details. Aeronautical and General fell 20 more making a decline on the week of 80 at 320p with sentiment still soured by the chairman's profits warning. With the exception of Turner and Newall, which rose 3 to 83p in response to Press comment, the leaders were featureless.

Hopes of a brighter outlook for long-term interest rates encouraged a certain amount of interest in Properties, Land Securities rising 4 to 326p and MEPC 3 to 238p. Great Portland Estates, 236p, Stock Conversion, 368p, and Haslemere Estates, 436p, all firmed 6, while Hammerson A rose 15 to 650p. Elsewhere, a Press stimulated interest in Laganvale Estates, which added a penny to 32p, but London Provincial Shop encountered selling and shed 7 to 423p. Trust Securities eased 6 more to 320p following the interim figures.

Irish Oils dull

Recently firm Irish Oils reacted on profit-taking, Atlantic Resources shedding 20 to 300p and Gaelic 30 to 295p. Eglinton gave up 10 to 170p and Bula 3 to 41p. Interest in the Oil majors was at a low ebb; British Petroleum, after opening a couple of pence firmer at 322p, reverted to the overnight level of 320p. Charterhall found occasional support and improved 3 to 72p.

The company's future development prospects, highlighted by the chairman at Thursday's annual meeting, prompted good early support of Milford Docks which spurted to 133p before settling for a net gain of 5 at 123p. Other Shippings traded quietly, P & O Deferred eased a penny to 124p, but Common Brothers attracted scattered support in a thin market and added 10 to 355p.

Textiles trended lower where changed, although Carpets International provided a notable exception with a rise of 2 to 31p with the aid of call option business.

The good performance of the group's U.S. subsidiary continued to direct support to Bats, and the shares improved 10 more to 385p. Good support was also noted for Imps, 3 dearer at 62p.

RTZ up again

The sale of a subsidiary, announced on Thursday, continued to benefit Highlands and Lowlands, 5 up for a two-day gain of 10 at 71p. Other Plantations also attracted support and closed with useful gains. Consolidated Plantations rose 3 to 58p while the Warrants ended 7 better at 155p. Malakoff added 5 more to 112p.

Activity in mining markets remained at a low level with the notable exception of the London Financials.

Rio Tinto-Zinc again attracted the lion's share of turnover; in a good two-way business, the shares advanced afresh to 570p before profit-taking prompted a close of 565p—a net gain of 7 and a week's rise of 38—with the recent aggressive buying attributed to sharp gains in base-metal prices coupled with persistent bid rumours.

Tanks moved ahead for similar reasons to close 10 higher at 327p—20 better over the week. Charter added 8 more at 243p, while Gold Fields edged up 5 to 475p.

South African Golds made modest progress as a $3 rise in the bullion price to $406 attracted light local and overseas interest in a market none-too-well supplied with stock. The Gold Mines index rallied 9.7 to leave a net rise on the week to 324.1.

Notable gains in the heavyweights included President Steyn, a point up at £15¾ and Free State Geduld, a like amount to the good at $18¾.

In South African Financials, Gold Fields of South Africa were prominent and finally £1½ firmer at £39½. Ireland's Silvermines advanced 5 to 99p in response to favourable Press comment.

Australians mines and exploration stocks were devoid of interest and ended a generally poor wek on a quiet note with sentiment in the latter still clouded by the recent disappointing Canning Basil oil drilling results.

Malaysian Tins were marginally easier but Pahang held steady at 48p, down 11 on the week, following the passing of the interim dividend and the £133,000 pre-tax loss which compares with an £180,000 profit in the same period last year.

FINANCIAL TIMES STOCK INDICES

	July 31	July 30	July 29	July 27	July 24	July 23	A year ago
Government Secs....	64.48	64.21	64.45	64.86	64.16	64.00	70.78
Fixed Interest........	66.24	66.31	66.33	66.37	65.95	65.80	72.51
Industrial Ord.........	528.1	525.9	525.5	528.5	520.2	518.6	487.9
Gold Mines..............	324.1	314.4	316.7	319.5	322.3	327.6	375.5
Ord. Div. Yield.........	5.96	6.00	6.01	5.99	6.08	6.09	7.44
Earnings, Yld. %(full)	10.96	11.50	11.55	11.46	11.66	11.67	17.82
P/E Ratio (net) (*).....	11.38	10.90	10.88	10.93	10.75	10.75	6.76
Total bargains.........	14,651	14,030	17,141	17,457	17,144	19,002	18,614
Equity turnover £m.	—	78.44	85.83	101.37	101.27	188.74	89.33
Equity bargains.......	—	10,041	12,671	12,754	12,063	14,636	19,002

10 am 527.4. 11 am 527.0. Noon 527.4. 1 pm 527.2.
2 pm 527 4. 3 pm 527.4.
Latest Index 01-246 8026.
*Nil=10.62.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int ...	72.01 (28/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord......	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	481.1 (6/1)	262.6 (28/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	July 30	July 29
—Daily Gilt Edged Bargains...	147.6	151.5
Equities...... Bargains...	65.1	82.1
Value..	158.5	175.5
5-day Avrge. Gilt-Edged Bargains...	157.5	163.7
Equities...... Bargains...	80.6	83.7
Value..	224.6	271.4

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981

NEW HIGHS (38)

AMERICANS (2)
Conoco — Quaker Oats

CHEMICALS (5)
Anchor Chemical — Plysu
BASF AG — Scot. Ag. Inds.
Ciba Geigy 5⅜ cv

ELECTRICALS (5)
A. B. Electronic — Security Centres
Fidelity Radio — Thorn EMI 7pc Cnv. Pf. '92-99
Racal Electronics

ENGINEERING (2)
Green's Economiser — Whessoe

FOODS (1)
Needlers

INDUSTRIALS (11)
AGA AB — Sidlaw Inds.
Elliott Peterborough — Silverthorne
Esselte AB — Sketchley
Howard Tenens — Utd. Gas
Initial Services — Unochrome
Ofrex

INSURANCE (2)
London Manchester — Sun Alliance

MOTORS (1)
Volvo

TEXTILES (1)
Carpets Intl.

TOBACCOS (1)
BAT Inds.

TRUSTS (7)
Atlantic Assets — Pentland
Dundee and London — Scottish Ontario
Edinburgh Am. Tst. — West Coast & Texas
Montague Boston

NEW LOWS (19)

CANADIANS (1)
Hawker Siddeley Canada

BANKS (1)
Smith St Aubyn

STORES (1)
Beattie (J.) A

ENGINEERING (2)
Brit. Steam — Brooke Tool

INDUSTRIALS (3)
Aero & General — Spear (J. W.)
Redfearn Nat. Glass

TRUSTS (3)
Crossfriars — G.T. Global
Fundinvest Inc.

OVERSEAS TRADERS (2)
Paterson Zochonis — Do. A N/V

MINES (6)
Coronation — Hongkong Tin
Falcon — Highwood Res.
Jimberlana — Sabina Inds.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	65	1	27	151	166	55
Corpns. Dom. and Foreign Bonds	7	4	58	50	26	191
Industrials	215	157	909	949	602	3,933
Financial and Props.	106	56	329	463	254	1,232
Oils	17	37	41	112	108	160
Plantations	3	2	13	16	19	57
Mines	62	31	73	161	135	298
Others	41	64	100	226	215	367
Totals	521	352	1,650	2,162	1,575	6,343

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., July 31 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., July 30 Index No.	Tues., July 28 Index No.	Mon., July 27 Index No.	Fri., July 24 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)..	349.42	+0.3	10.33	4.47	11.97	348.48	347.91	347.67	344.60	282.04	364.69 (24/4)	272.28 (15/1)	364.69 (24/4/81)	50.71 (13/12/74)
2	Building Materials (25)..	302.96	+0.5	12.34	5.62	9.95	301.41	300.67	299.68	295.53	264.83	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	553.65	—	17.14	5.13	6.78	553.91	553.12	552.17	549.66	423.46	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1151.17	+0.5	7.89	2.37	15.47	1155.41	1154.31	1156.17	1146.68	806.27	1175.46 (3/7)	858.13 (15/1)	1175.46 (3/7/81)	84.71 (25/6/62)
5	Engineering Contractors (10)	489.54	−0.2	12.76	5.57	9.36	490.57	492.56	492.37	490.26	336.67	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (69)	201.93	+0.1	12.96	5.90	9.76	201.75	201.69	201.79	200.80	182.77	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)..	154.42	+0.3	10.30	7.69	12.73	154.02	150.98	150.72	148.08	171.20	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)..........	97.49	+0.3	1.75	7.16	—	97.21	97.47	97.41	96.05	105.38	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)..	370.03	−0.2	9.86	5.42	12.16	370.77	370.77	368.35	364.73	0.00	394.56 (24/4)	277.55 (15/1)	394.56 (24/4/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195).	277.91	+0.5	12.40	5.76	9.95	276.59	275.60	276.65	272.87	236.82	294.75 (30/4)	227.50 (14/1)	294.75 (30/4/81)	61.41 (13/12/74)
22	Brewers and Distillers (20).	302.89	—	14.70	6.37	8.16	302.75	300.28	303.38	297.21	284.06	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	256.43	+0.4	15.05	6.50	8.01	255.43	256.18	255.80	253.61	213.84	269.21 (1/5)	204.17 (14/1)	269.21 (1/5/81)	59.67 (11/12/74)
26	Food Retailing (14)	531.63	+0.2	9.25	3.34	12.88	530.44	526.95	529.03	521.72	352.82	556.21 (1/5)	440.89 (11/3)	556.21 (1/5/81)	54.25 (11/12/74)
27	Health and Household Products (7).	336.06	+0.3	8.20	4.36	14.53	334.97	332.34	334.02	326.25	227.60	346.59 (3/7)	245.38 (14/1)	346.59 (3/7/81)	175.38 (28/5/80)
29	Leisure (22).........	445.06	+0.5	9.68	4.72	12.77	443.06	439.92	442.19	433.62	333.68	448.77 (1/5)	327.38 (16/1)	448.77 (1/5/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	485.86	+0.1	12.81	6.16	11.10	485.32	486.95	487.22	483.64	439.17	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)..	145.36	−0.2	14.45	7.28	8.22	145.58	144.40	141.05	139.57	133.22	161.79 (1/5)	108.95 (14/1)	161.79 (1/5/81)	45.46 (6/1/75)
34	Stores (44)...........	254.19	+0.5	11.47	5.25	11.62	253.02	253.18	255.09	252.92	232.21	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)...........	158.59	−0.3	7.44	5.76	19.25	158.98	159.92	159.22	156.22	125.57	172.64 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	255.71	+3.1	19.12	9.39	6.13	257.61	254.65	255.53	253.53	223.88	268.25 (3/7)	192.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (15)......	268.05	−1.0	4.54	6.48	53.18	290.89	290.43	291.15	289.95	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79) ...	227.74	+0.2	10.27	6.28	12.67	227.33	224.57	224.06	220.05	226.83	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)...........	283.52	+0.3	4.79	6.40	40.02	282.67	275.91	275.92	268.49	316.11	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (6)......	113.05	+0.5	14.61	7.27	8.25	112.54	111.76	110.69	108.92	107.03	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)..	546.27	−0.4	16.16	6.95	7.26	548.65	550.73	550.37	540.81	593.16	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (45)........	298.01	+0.2	15.15	5.65	9.54	297.41	295.57	294.52	291.99	285.90	308.77 (1/5)	249.71 (19/1)	308.77 (1/5/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488).	295.32	+0.4	11.35	5.34	10.95	294.25	293.10	293.50	289.87	252.97	312.53 (30/4)	261.24 (15/1)	312.53 (30/4/81)	59.01 (13/12/74)
51	Oils (12).............	752.19	—	22.31	7.64	4.97	752.22	750.39	747.77	734.13	782.10	925.71 (2/1)	653.58 (9/7)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	332.24	+0.3	13.31	5.75	9.01	331.26	330.05	330.21	325.78	295.01	352.08 (1/5)	290.43 (14/1)	352.08 (1/5/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118).	267.36	+1.3	—	5.50	—	264.00	265.82	268.10	266.04	230.11	271.36 (16/7)	227.09 (19/1)	271.36 (16/7/81)	55.88 (13/12/74)
62	Banks (6)...............	273.71	+1.2	32.93	6.70	3.58	270.57	273.74	281.89	278.35	225.60	287.38 (17/7)	220.84 (11/3)	283.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10).....	267.59	−0.3	—	8.43	—	268.36	267.22	265.90	262.30	297.11	314.03 (20/3)	262.30 (24/7)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3).....	251.92	+1.9	12.15	7.21	11.39	247.21	248.69	238.86	238.86	246.65	274.53 (25/3)	194.32 (8/1)	433.74 (4/5/72)	38.63 (11/12/74)
65	Insurance (Life) (10)...	270.28	+0.6	—	5.60	—	268.55	268.51	269.45	267.45	229.29	276.08 (16/7)	222.74 (7/1)	276.08 (16/7/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	178.30	+2.5	—	7.15	—	173.92	176.74	176.27	174.72	154.61	179.40 (3/7)	142.06 (19/1)	163.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (8)..	408.16	+2.9	10.93	5.69	12.41	396.48	402.36	406.81	406.51	337.62	411.88 (16/7)	294.21 (20/1)	411.88 (16/7/81)	65.86 (16/12/74)
68	Merchant Banks (13).....	169.52	+0.4	—	5.01	—	168.79	168.68	168.61	168.25	141.15	179.36 (2/7)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)...........	483.41	+0.9	3.88	2.90	35.34	479.08	479.24	481.62	476.28	441.71	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10).....	180.59	—	17.97	5.80	6.77	180.65	180.66	181.09	181.52	141.27	183.18 (15/7)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109).	310.98	+0.3	—	5.10	—	310.06	310.91	308.70	305.12	258.54	318.10 (24/4)	271.01 (23/1)	318.10 (24/4/81)	71.65 (13/12/74)
81	Mining Finance (3)........	263.19	+1.4	13.38	5.19	8.80	259.54	254.93	253.55	249.56	237.71	270.39 (19/5)	200.76 (6/2)	277.15 (30/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)...	426.58	+0.1	11.10	6.98	11.53	426.15	425.87	426.33	424.39	417.99	488.51 (16/5)	420.28 (14/1)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	319.42	+0.5	—	5.67	—	317.83	317.31	317.74	313.89	281.57	332.77 (1/5)	276.20 (14/1)	332.77 (1/5/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri., July 31	Day's change %	Thurs., July 30	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years..............	105.83	+0.09	105.73	—	6.24
2	5-15 years...........	103.24	+0.46	102.76	—	7.69
3	Over 15 years.........	105.34	+0.57	104.74	—	8.20
4	Irredeemables.........	115.16	+0.48	114.62	—	7.43
5	All Stocks........	104.81	+0.37	104.42	—	7.39
6	Debentures & Loans	81.55	+0.29	81.31	—	6.27
7	Preference........	61.90	−0.03	61.85	—	3.94

	AVERAGE GROSS REDEMPTION YIELDS		Fri., July 31	Thurs., July 30	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low Coupons	5 years..........	12.61	12.63	11.59	12.97 (21/7)	11.20 (20/3)
2		15 years..........	13.21	13.29	11.63	13.58 (20/7)	11.85 (20/3)
3		25 years..........	13.43	13.50	11.63	13.79 (20/7)	11.88 (6/1)
4	Medium Coupons	5 years..........	14.78	14.81	13.13	15.13 (21/7)	12.91 (20/3)
5		15 years..........	15.17	15.25	12.56	15.60 (21/7)	13.32 (20/3)
6		25 years..........	14.73	14.80	12.83	15.19 (21/7)	13.05 (20/3)
7	High Coupons	5 years..........	14.75	14.77	13.29	15.11 (21/7)	12.93 (20/3)
8		15 years..........	15.37	15.44	13.31	15.77 (21/7)	13.54 (20/3)
9		25 years..........	14.96	15.05	13.09	15.33 (21/7)	13.15 (20/3)
10	Irredeemables.......... †		12.92	12.97	11.14	13.18 (20/7)	11.35 (20/3)
11	Debs & Loans	5 years..........	15.79	15.80	13.56	15.97 (21/7)	13.80 (27/3)
12		15 years..........	15.91	15.98	13.33	16.19 (21/7)	14.16 (27/3)
13		25 years..........	16.00	16.02	13.43	16.21 (21/7)	14.25 (27/3)
14	Preference.......... †		16.13	16.14	14.13	16.31 (28/7)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.
CONSTITUENT CHANGES: Myson Group (Engineering Contractors) and Amalgamated Power Engineering (Mechanical Engineering) have been deleted and replaced by Memec (Electricals) and EIS Group (Mechanical Engineering) respectively.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 25, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* | £9.34 | 9.75 | ..... | 3.50
Clive Gilt Fd. (C.I.) | £8.22 | 8.58 | ..... | 15.38
*Prices on July 30. Next dealing Aug. 6.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. | 252.0 | 274.0 | ..... | —

Cortexa International

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund | $19.80 | 20.46 | ..... | 11.20
Prices at June 30. Next dealing August 27.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong
Far East July 31 | HK$27.78 | 29.81 | ..... | —
Japan Fund July 31 | US$10.94 | 11.73 | −0.03 | —

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521
Capital Reserve Fd. | £13.39 | 13.40 | ..... | 0.21
C.I. Fund | 208.6 | 222.2 | ..... | 3.49
Special Sits. Fund | 78.6 | 82.8 | ..... | 3.13
Trans. Nat. Trust | 50.906 | 7.059 | ..... | 2.86
Intnl. Bond | US$97.83 | 102.78 | ..... | 10.14

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Bda. Intl. Bd. Fd. Cap. | US$11.80 | ..... | —
Bda. Intl. Bd. Fd. Inc. | US$10.31xd | ..... | 12.00
Prices July 29. Next dealing Aug. 3.

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Sterling Money Fd. | £11.309 | 11.3100 | ..... | —
Next subscription day August 5.

J. Henry Schroder Wagg & Co. Ltd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	67.6	72.7	-0.4	1.99
Abbey Capital	[illegible]	55.3	+0.2	3.59
Abbey General	[illegible]	64.3	+0.5	4.77
Abbey [illegible]	[illegible]	134.5	+0.1	12.56
Abbey Income	[illegible]	20.4	.....	8.09
Abbey A'm.&G.Tst.	[illegible]	101.1	-0.5	6.63
Abbey Inv. Ts. Fd.	[illegible]	59.5	+0.1	4.03
Equitas Prog. Tst.	86.7	93.7	+0.6	4.36

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	84.1	89.2	.....	12.75

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	94.1	100.7	+0.4	5.56
Brit. Inds. Fund	79.7	85.0	+0.5	6.09
Growth & Income	53.7	57.7	+0.2	4.33
Elect. & Ind. Dev.	48.0	51.4	+0.1	4.35
Allied Capital	[illegible]	111.4	+0.5	3.75
Hambro Fund	139.5	149.9	+1.0	4.37
Hambro Acc. Fund	197.6	211.4	+1.3	3.62
Income Funds				
High Yield Fd.	69.2	74.0	+0.1	8.11
High Income	84.6	90.5	+0.2	7.07
Equity Income Fd.	47.5	50.8	+0.3	7.20
Govt. Secs.	23.7	24.3	+0.1	12.36
International Funds				
International	59.0	62.6	-0.1	1.95
Japan Fund	31.1	33.3	-0.2	0.90
Pacific Fund	89.3	95.5	-0.2	0.92
Secs. Of America	92.7	99.2	+0.3	1.56
Specialist Funds				
Smaller Co.'s Fd.	59.6	63.8	+0.1	3.68
2nd Smlr. Co's Fd.	[illegible]	20.0	+0.2	3.72
Recovery	[illegible]	31.4	.....	[illegible]
Met. Min. & Cdty.	[illegible]	73.5	+0.3	4.99
Overseas Earnings	78.5	84.1	+0.5	4.64
Exempt Funds				
Income Exempt	51.3	56.0	+0.2	7.77
Far East Exempt	[illegible]	89.4	-0.4	0.59
Smaller Co. Exempt	[illegible]	103.5	+0.1	2.81
U.S.A. Exempt	147.1	153.0	+0.5	2.12

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	71.5	77.2	.....	3.25

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	165.0	176.0	.....	9.41
Leics. & Gen. Fd.	55.0	58.0	.....	6.32

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8327

Wieler Grth Fd. Inc.	[illegible]	55.70	.....	3.20
Do. Accum.	55.20	58.20	.....	3.20

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital	35.3	37.0	.....	—
Commodity	[illegible]	100.5	.....	2.12
(Accumulation)	[illegible]	159.2	.....	2.12
(10% Withdrawal)	[illegible]	73.1	.....	2.12
Eastern & Intl.	[illegible]	63.2	.....	1.09
(6% Withdrawal)	[illegible]	43.4	.....	1.09
Extra Income	[illegible]	92.5	.....	9.33
(Accumulation)	[illegible]	116.4	.....	9.10
Finance & Property	[illegible]	27.1	.....	3.64
Financial	[illegible]	164.4	+2.3	1.09
Gilts	[illegible]	52.8	+0.2	2.91
(Accumulation)	[illegible]	70.1	+0.2	2.91
Gilt & Fixed Int.	[illegible]	40.3	+0.1	12.36
Accumulation	[illegible]	45.3	.....	12.18
Growth	[illegible]	60.5	+1.5	3.23
Accumulation	[illegible]	62.3	+1.7	3.23
Equities	[illegible]	39.4	.....	0.93
(Accumulation)	[illegible]	67.8	.....	0.93
Equity (Withdrawal)	[illegible]	52.6	.....	2.65
Extra Yield	[illegible]	45.2	.....	11.70
First [illegible]	[illegible]	79.1	+0.1	10.72
First American	[illegible]	41.7	.....	1.00
[illegible]	[illegible]	21.0	.....	14.21
Foreign [illegible]	[illegible]	43.9	.....	14.21
Fulcrum Companies	[illegible]	43.1	+0.5	2.95
[illegible]	[illegible]	43.1	+0.4	2.95

Fund. Dealings: †Tues. ‡Wed. ††Thurs. ***Friday.

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	34.1	37.2	+0.1	12.22
North American	71.6	77.2	+0.1	2.21
Canadian Exempt*	78.7	83.2	.....	2.73
Canadian Trust	67.6	73.0	-1.4	2.41
Mid Mount High Inc.	48.6	51.4	.....	9.37
Recovery	57.8	63.1	-0.2	6.61
Gilt Trust	40.1	42.0	.....	13.81

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 4931

Cres. Amer. Fd.	48.4	52.2	.....	0.48
Cres. Internat'l.	95.1	102.7	-0.2	1.36
Cres. High Dist.	44.5	48.0	+0.1	9.33
Cres. Reserves	52.5	56.7	-0.9	5.29
Cres. Tokyo	42.2	45.6	-0.2	0.27

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.9	25.4	.....	9.00

Discretionary Unit Fund Managers
36/38 New Broad St., EC2M 1NU. 01-638 4425

Disc. Inc. July 23	251.6	268.3	.....	4.95

E. F. Winchester Fund Mngt. Ltd.
46 Bloomsbury Square, WC1A 2RA. 01-623 8893

Great Winchester	18.8	20.9	.....	8.30
Gt. Winchester O'seas	30.6	34.3	.....	3.40

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	96.7	101.7	+0.7	4.27

Fidelity International Management Ltd.
62-63 Queen St., London EC4 1AD. 01-248 4591

American (z)	43.1	46.7	+0.5	0.44
Amer. Spec. Sits. (z)	32.4	34.9	+0.3	0.07
Gilt + Fixed Int.	22.4	23.5	.....	13.22
Growth + Income	53.5	57.1	.....	6.70
Maximum Inc. Eq. Tst.	29.6	32.0	.....	8.54
Special Sits.	43.1	46.9	.....	1.57

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	44.2	47.5	.....	1.26
Accum. Units	55.0	59.1	.....	1.26
J. Finlay High Income	37.6	39.3	.....	9.08
Finlay Wld. Energy	20.1	21.6	.....	1.27
Accum. Units	26.0	27.9	.....	1.27
J. Finlay Fd. In. Tst.	41.6	44.7	.....	4.50
Accum. Units	53.9	58.0	.....	4.50

Prices on July 28. Next dealing July 30.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	99.8	106.6	.....	0.84
Am. T'around	91.8	98.0	+0.4	1.46
(Accum. Units)	91.8	98.0	+0.4	1.46
Capital Tst.	67.2	71.8	.....	4.59
(Accum. Units)	71.4	75.6	.....	4.59
Convertible & Gilt	47.0	49.6	.....	10.23
(Accum. Units)	53.0	56.2	.....	10.23
Extra Income Trust	52.0	55.2	+0.2	9.37
Income Tst.	43.8	46.8	+0.2	7.19
Int. Growth Fd.	77.2	82.5	+0.2	1.15
(Accum. Units)	83.2	82.6	+0.2	1.15

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	84.1	90.5	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c)
Pixham End, Dorking. 0306 5055

Friends Prov. Units	68.4	73.1	+0.3	4.14
Do. Accum.	99.8	106.7	+0.3	4.14

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital July 30	156.5	157.2	-0.6	4.44
Gross Inc. July 30	80.7	81.9	+0.7	11.55
High Yield July 30	96.1	97.4	-0.6	10.50

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	155.7	167.4	-1.6	2.60
Do. Acc.	202.0	217.1	-0.1	2.60
G.T. Inc. Fd. Un.	225.1	241.3	+2.5	8.00
G.T. U.S. & Gen.	242.5	260.7	-2.4	1.30
GT Wld. Bd. Fd.	100.6	104.1	-0.7	7.20
G.T. Japan & Gen.	132.0	141.9	-1.2	1.10
Gt. Pens. Ex. Fd.	382.5	402.5	-2.1	1.40
G.T. Int'l. Fund	288.8	310.3	+1.3	1.30
G.T. Four Yds. Fd.	55.3	59.4	+0.1	6.30
G.T. Far East & Gen.	116.5	125.4	+1.5	1.80
G.T. Tech. & Gth. Fd.	97.1	104.4	-0.8	0.50

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

Managed Fund	286.5	301.5	+0.6	—
Equity Fund	490.6	516.4	+0.4	—
Property Fund	194.2	204.5	+0.1	—
Fixed Int. Fund	170.3	179.2	+0.9	—
Deposit Fund	138.0	145.3	+0.1	—
Nor. Units July 15	257.2		.....	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	164.6	173.4	.....	—
Eb'r. Ph.Eq.E.	125.2	132.4	.....	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Pioneer Mtl. Mgd. Fd.	95.3	100.5	.....	—

Planned Savings Group
25 Worship St., London, EC2A 2AB. 01-920 0661

1st Managed	91.7	97.3	.....	—
1st Fixed Interest	67.9	71.7	.....	—
4th Managed	51.8	53.9	.....	—
5th Managed	66.6	70.6	.....	—
Pension Managed	66.57	71.45	.....	—
Family Managed	144.9	147.4	.....	—
Do. B Managed	74.7	79.9	.....	—
Do. C Principle	58.1	62.3	.....	—
Do. D Fxd. Int.	53.7	56.8	.....	—
Family Capital Fund	80.7	83.4	.....	—
Family Bd. 81	49.2	50.2	.....	—

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath 0444 58721

American Tech. Fd.	120.3	127.0	+3.0	—
Building Soc. Fd.	98.0	104.0	1.0	—
Balanced	106.0	112.0	+1.0	—
Docs Mangd. Fd.	89.0	94.0	.....	—
Deposit	101.0	109.0	.....	—
Gilt	100.0	107.0	.....	—
Natural Resources	95.0	100.0	+3.0	—
Property	107.0	109.0	.....	—
UK Equity	116.0	123.0	+3.0	—
International Equity	102.0	108.0	-1.0	—

Prop. Equity & Life Ass. Co.
42 Houndsditch, London EC3A 7AY. 01-621 1124

R. Silk Prop. Bond		232.7	.....	—
Do. Equity Bond		104.8	.....	—
Flex Money Bond		158.3	.....	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		258.6	.....	—
Property Fund (A)		253.5	.....	—
Agricultural Fund		961.5	.....	—
Agric. Fund (A)		942.7	.....	—
Abbey Nat. Fund		202.0	.....	—
Abbey Nat. Fd. (A)		201.5	.....	—
Investment Fund		103.0	.....	—
Investment Fund (A)		102.8	.....	—
Equity Fund		303.6	+0.5	—

Sun Life Pensions Management Ltd.
(funds for insured pension contracts)

Pens. Managed Cap.	154.9	163.1	-2.9	—
Pens. Managed Acc.	[illegible]	170.3	+0.3	—
Pens. Property Cap.	109.3	115.1	+3.3	—
Pens. Property Acc.	124.6	115.3	+2.5	—
Pens. Equity Cap.	[illegible]	[illegible]	-0.2	—
Pens. Equity Acc.	[illegible]	[illegible]	.....	—
Pens. F. Interest Cap.	[illegible]	[illegible]	-0.1	—
Pens. F. Interest Acc.	[illegible]	[illegible]	-0.1	—
Pens. Cash Cap.	117.3	[illegible]	+0.1	—
Pens. Cash Acc.	110.3	[illegible]	-0.5	—
Pens. Intl. Cap.	[illegible]	[illegible]	-0.5	—
Pens. Intl. Acc.	[illegible]	[illegible]	-0.4	—
Pens. American Cap.	125.2	132.4	+2.3	—
Pens. American Acc.	125.3	131.3	+2.3	—
Pens. Far Eastn. Cap.	128.7	[illegible]	-0.7	—
Pens. Far Eastn. Acc.	130.0	[illegible]	-0.6	—

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Man. Fund Inc.	136.0	143.3	.....	—
Man. Fund Cap.	123.7	130.3	.....	—
Man. Fund Acc.	[illegible]	[illegible]	.....	—
Man. Fd. Inv.	135.5	142.6	.....	—
Prop. Fund Inc.	[illegible]	[illegible]	.....	—
Prop. Fd. Cap.	[illegible]	[illegible]	.....	—
Prop. Fd. Acc.	[illegible]	205.3	.....	—
Prop. Fd. Init.	[illegible]	145.6	.....	—
Prop. Fd. Inv.	149.0	—	.....	—
Fixed Int. Fd. Inc.	117.4	129.4	.....	—
Fixed Int. Fd. Cap.	[illegible]	[illegible]	.....	—
Fixed Int. Fd. Acc.	115.3	122.0	.....	—
Fixed Int. Fd. Init.	[illegible]	[illegible]	.....	—
Dep. Fd. Inc.	[illegible]	[illegible]	.....	—
Dep. Fd. Acc.	107.7	[illegible]	.....	—
Dep. Fd. Init.	[illegible]	[illegible]	.....	—
U.K. Equity Fd. Inc.	[illegible]	[illegible]	.....	—
U.K. Equity Fd. Cap.	[illegible]	[illegible]	.....	—
U.K. Equity Fd. Acc.	[illegible]	[illegible]	.....	—
U.K. Equity Fd. Init.	[illegible]	[illegible]	.....	—
Int. Equity Fd. Inc.	[illegible]	[illegible]	.....	—
Int. Equity Fd. Cap.	[illegible]	[illegible]	.....	—
Int. Equity Fd. Acc.	[illegible]	[illegible]	.....	—
Int. Equity Fd. Init.	[illegible]	[illegible]	.....	—
Ret. Plan Ac. Pen.	[illegible]	[illegible]	+2.5	—
Ret. Plan Cap. Pen.	[illegible]	[illegible]	+2.1	—
Man. Pen. Fd. Acc.	[illegible]	[illegible]	.....	—
Man. Pen. Fd. Cap.	[illegible]	[illegible]	.....	—
Gilt Pen. Fd. Acc.	[illegible]	[illegible]	.....	—
Gilt Pen. Fd. Cap.	[illegible]	[illegible]	.....	—
Prop. Pen. Fd. Acc.	[illegible]	[illegible]	.....	—
Prop. Pen. Fd. Cap.	[illegible]	[illegible]	.....	—
Guar. Pen. Fd. Acc.	[illegible]	147.1	.....	—
Guar. Pen. Fd. Cap.	[illegible]	132.0	.....	—

Transinternational Life Ins. Co. Ltd.
2 Bream's Bldgs., EC4A 1NU. 01-405 6497

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
327	208	ANZ $A1	322	−3	Q24c	5.5	4.5	6.1
290	240	Alexanders D. £1	270xd	......	17.0	—	10.3	—
£59½	£42¾	Algemene Fl.100	£53	......	Q25%	1.9	8.8	5.9
405	325	Allen Harvey £1	325	......	23.0	—	10.1	—
*116	100	Allied Irish	160	−3	Q6.9%	5.5	3.5	3.1
21¼	16¼	Arbuthnot (H.) 5p	17¼	......	0.15	—	1.2	—
355	234	Arbuthnot L. £1	257	......	12.0	—	6.0	—
320	260	Bk. Ireland £1	285	−5	Q2.9%	—	7.6	—
8	3	Bk. Leumi $0.1	4	−1	[illegible]	—	5.5	—
250	170	Bk. Leumi (UK) £1	250	......	10.15	—	5.5	—
195	145	Bk. N.S.W. $A1	187	−1	Q19c	2.9	5.9	5.0
420	225	Bank Scotland £1	405	......	17.5	5.2	6.2	3.3
455	376	Barclays £1	435	+5	10.5	5.5	6.2	3.5
245	182	Brown Shipley £1	227xd	−1	H6.5	—	4.1	—
408	329	Cater Ryder £1	328	......	23.1	—	10.1	—
95	79	Charterhouse Gp.	85	−1	4.51	1.7	7.6	(9.6)
50	34	Clive Dis'nt 20p	36	......	1.5	—	6.0	—
430	110	Com'l Aus. (SA1)	430	......	Q20c	2.9	2.3	12.0
640	520	Com'zbk DM 10	610	......	—	—	—	—
925	925	C'hgn. Hbk. Kr100	925	......	Q14%	—	10.6	—
£35½	£34	Cred. France F100	£34	......	Q17½%	—	12.2	—
19	15	Dawes (G. R.)	15	......	—	—	—	—
*£65	£53⅝	Deutsche Bank DM50	£62⅞	−½	Q11%	—	5.3	—
525	405	‡Dunbar Grp. £1	520	......	96.2	5.0	1.7	16.7
107	105	F. C. Finance	106	......	—	—	—	—
37¼	23½	First Nat. 10p	35½	+½	—	—	—	6.0
5	3	Do. Wrrts. 75-83	3½	−¼	—	—	—	—
324	250	Gerrard Natnl.	265	......	17.0	—	7.5	—
290	218	Gillett Bros. £1	233	−2	17.71	—	10.9	—
38	26	Goode D't Mry 5p	33	......	0.75	—	3.2	—
250	152	Grindlays	228	+2	4.73	4.1	2.6	10.1

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPERS, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- Figures or report awaited.
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- Dealt in under Rule 163(3).
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. [illegible] Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	44	......	**IRISH**		
Bertam	19	......	Conv. 9% '80/82	£91¾	......
[illegible]	655	-5	Nat. 9¾% 84/89	£69¾	-¼
Craig & Rose £1	£13	......	Fin. 13% 97/02	£79¾	......
Finlay Pkg. 5p	[illegible]	......	Alliance Gas	78	......
[illegible]	[illegible]	......	Arnott	240	......
[illegible]	[illegible]	......	Carroll (P.J.)	82	......
[illegible]	[illegible]	......	Concrete Prods.	87	......
I.O.M. Stm. £1	145	......	Heiton (Hldgs.)	28	+3
Pearce (C. H.)	[illegible]	......	Irish Ropes	44	......
[illegible]	[illegible]	......	Jacob	60	......
Sheff. Refrshmt	53	......	T.M.G.	14	......
[illegible]	[illegible]	......	Unidare	102	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	16
BOC Intl.	11	"Imps"	7	Woolworths	6
B.S.R.	7	I.C.L.	6	**Property**	
Babcock	11	Ladbroke	30	Brit. Land	6
Barclays Bank	30	Legal & Gen.	20	Cap. Counties	11
Beecham	25	Lex Service	13	Land Secs.	37
Blue Circle	25	Lloyds Bank	28	MEPC	20
Boots	20	"Lots"	4½	Peachey	15
Bowater	24	London Brick	7	Samuel Props.	13
Brit. Aerospace	27	Lucas Inds.	18	Town & City	2½
B.A.T.	25	"Mams"	28	**Oils**	
Brown (J.)	8	Mrks. & Spncr	12	Brit. Petroleum	33
Burton Ord.	14	Midland Bank	25	Burmah Oil	16
Cadbury	7	N.E.I.	6	Charterhall	8
Courtaulds	7	Nat. West. Bank	32	KCA	22
Debenhams	18	P & O Dfd.	12	Premier	7½
Distillers	17	Plessey	28	Shell	32
Dunlop	[illegible]	Racal Elect.	36	Tricentrol	30
Eagle Star	25	R.H.M.	5	Ultramar	44
F.N.F.C.	3	Rank Org. Ord.	18	**Mines**	
Gen. Accident	30	Reed Intnl.	25	Charter Cons.	21
Gen. Electric	40	Spillers	5	Cons. Gold	46
Glaxo	28	Tesco	5½	Lonrho	9
Grand Met.	18	Thorn EMI	30	Rio T. Zinc	45
G.U.S. 'A'	41	Trust Houses	15		
Guardian	30	Tube Invest.	22		
G.K.N.	25	Turner & Newall	10		
Hawker Sidd.	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday August 1 1981

MAN OF THE WEEK

A Prince for all seasons

BY ROBERT COTTRELL

A MAN who numbers among his far-flung relatives Charlemagne, Count Dracula, Genghis Khan and an 18th century London plumber does not lack for a choice of forefathers' footsteps in which he might choose to follow. Nor, it might be argued, has the Prince of Wales limited his opitions by taking a bride whose own famliy tree has on its outlying branches Humphrey Bogart, the vanished Lord Lucan, and eight presidents of the United States.

In practice, for the heir to the British throne the offer of executive responsibility in the family firm is one which history makes difficult to refuse. The skills required of the directors change a little over time—in the last 30 years, an understanding of British Industry has happily been a more employable skill than the ability to make war and peace—but the basic job has remained recognisably the same for 200 years or so.

It may be the next millenium by the time Prince Charles (now 32) ascends the throne. But few doubt that a throne will still be there for him. If Queen Elizabeth II has indeed

Prince Charles

The offer of executive responsibility in the family firm is difficult to refuse

felt it part of her historic duty to confirm the strength of an institution badly shaken within living memory by the abdication of Edward VIII, then she could scarcely have hoped for a more gratifying proof of success than the welcome which awaited her son and Lady Diana Spencer on Wednesday.

In a summer which has seen unprecedented civil disruption in many British cities, with economic depression leaving 3m unemployed, it was with evident relief that the police were able to thank the wedding-day crowds for such a good-natured and trouble-free day.

But it will be to a Britain stripped bare of bunting that the Prince and Princess of Wales return from their honeymoon in gentler climes. Prince Charles was deeply distressed when Lord Mountbatten was murdered by the Provisional IRA, and the Royal family will always remain a potential target for political extremists. But for the mass of the British people, affection for the monarchy appears heightened equally by times of crisis and of celebration. For while history has shown other monarchies to be in the first line of attack from dissatisfied citizens, the strength of the British institution is that it remains widely regarded as the people's last line of defence.

Prince Charles has characterised his own position as one of influence rather than power. While he has followed his father's example of addressing himself to problems of morale and motivation in British Life, he has resisted any direct commercial involvements. He has, however, emerged from an early shyness to take up extensive public office, and devotes much of his time to relatively unpublicised charitable work.

He has distinguished himself in military, sporting and diplomatic fields and, with the help of a ready and not always refined wit, shown the British public a royal face at times recognisably like its own. That has, in turn, won for the Prince not only the affection and respect, but also a valuable degree of solidarity among the people who will in time be his subjects.

The one element outstanding in the make-up of a fully-rounded heir was a suitable bride. And while Prince Charles may appear to have taken something of a roundabout route to the altar, the popular verdict must be that, in the words of the Michelin guides, *ça mérite un détour*.

Only dealers will be able to bid in unprecedented 'stock clearance'

BL puts new cars in auction

BL has taxed and registered up to 1,200 new cars and is to dispose of them at a series of auctions starting next Friday, still in their protective wax.

The sales, to be held in the Number Three hall of British Car Auctions' premises at Measham, Leicestershire, will be closed to all but BL's own distributors and dealers.

More than 600 of the cars are Austin Maxis, production of which ceased at Cowley, Oxford, earlier this month. There will be about 80 Triumph TR7 sports cars, also no longer made. But some current production models are also included: 1.3 litre versions of the Morris Ital, Austin Princesses and a sprinkling of Allegros and Minis.

Yesterday, BL said the sale also included some of its own fleet cars and those used for development, including TR8 sports cars, which were sold in the U.S. but never launched in Britain.

It is unprecedented for a volume car manufacturer to sell vehicles in this manner.

BL yesterday described its move as "a once off stock clearance exercise."

The cars are what the trade calls "frustrated" stock — mostly manufactured against distributor and dealer orders but which they were unable to take up because of the steep downturn in the new car market.

Apart from cash flow considerations, BL is anxious to get rid of them because they are taking up space at Cowley, where production of the Triumph Acclaim, the joint BL-Honda car, is accelerating.

In the spring Cowley will also be building revised versions of the Rover and the Ambassador, the Princess's successor.

The company said yesterday it had registered the cars itself for two principal reasons:

- To prevent them finding their way into the hands of unfranchised dealers as new cars.
- To avoid "disrupting" the new car market by ensuring that they would be classified as used.

Although the new "X" suffix on number plates becomes affective today, six days before the first auction, all the cars have been registered with the "W" suffix.

Dealers estimate this immediately takes at least £500 off each car's value, helping further to open up the price gap between new cars in their showrooms and the "used" ones to be auctioned.

The cost of taxing each vehicle is £70 and there will be a commisssion paid to British Car Auctions, which on individual sales charges 7.5 per cent, with a minimum of £20 or £100 for "top" cars.

BL says, however, it will not lose money on the auctions. It should be able to cover cost of production "by reducing overheads such as the cost of storage of the vehicles."

BL dismissed speculation that the number of cars which might eventually be sold in this way could be larger. This arose after British Car Auctions, on BL's behalf, rented a large field at the start of this week at Barnes Heath Farm, in the village of Appleby Magna, a few miles from Measham, to accommodate the cars.

The agreement runs for eight weeks, though the auctions are expected to be completed two weeks before it expires.

Other manufacturers yesterday expressed surprise at the BL move, but otherwise reserved comment.

Hugh Routledge

A cow shares her field near Measham with a herd of new BL Maxis

Oil price meeting likely, says Iraq

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE Organisation of Petroleum Exporting Countries is likely to meet later this month to try to unify prices and co-ordinate production, Mr Fayeh Abdul-Karim, Iraq's Oil Minister, indicated in London yesterday.

African members of Opec—Algeria, Libya, Nigeria and Gabon—had called for the meeting, he said. Mr Abdul-Karim was confident that Saudi Arabia would agree to it.

"Saudi Arabia expressed its readiness to revise its attitude towards its production," he said, when six Arab oil ministers, including Mr Abdul-Karim, met in Taif, near Jeddah, on July 15.

It is believed that the Saudis would be prepared to reduce oil output from 10.3m to 9m or even 8.5m barrels a day if other Opec members agreed to a basic reference price of $34 a barrel.

The Kingdom has charged $32 since the beginning of this year compared with the $36 asked by other members of Opec.

Another essential part of a compromise would be a reduction in the price of top-quality African crude from the present level of $40 a barrel to about $37.

Libya and Nigeria have been badly affected by a slump in their oil shipments because Saudi Arabia has refused to cut production while they have refused to lower their prices.

Mr Abdel-Karim confirmed that Iraq's exports through its two pipeline systems to the Mediterranean were a little under 1m barrels a day. He said throughput had been adversely affected by political differences with Syria and technical problems.

Price, however, is also understood to be a major factor holding back Iraqi sales.

While in London, Mr Abdul-Karim had talks with British Petroleum and Shell. The Iraqi Government wants help from foreign oil companies in the development of its oil industry, he said.

He mentioned manpower training, the establishment of research centres, studies for projects and geophysical surveys as fields in which it was seeking such co-operation.

Following his meeting with Lord Carrington, the Foreign Secretary, on Tuesday, the Minister spoke of Baghdad's desire to establish "a new pattern or relationship" with the UK.

Asked about Iraq's interest in acquiring British weapons, he replied: "We need arms the sameas we need technology and participation in our development projects."

Mr Abdul-Karim said also that Iraq planned to build a pipeline to the Red Sea across the territory of Saudi Arabia and Kuwait. Its fellow Arab oil producers had agreed in principle, he claimed.

Dennison raises offer for Ofrex

BY REG VAUGHAN

THE fast-moving bid battle for Ofrex Group, the London-based office supplies and industrial products group, was thrown wide open yesterday. U.S. bidder Dennison Manufacturing stepped up its offer to match the terms from rival suitor Gallaher, which is controlled by the U.S. American Brands group.

Dennison, one of the top five U.S. manufacturers of stationery products with a New York market value of about £75m, has increased its offer from 130p to 160p per share, which values Ofrex at £31.8m.

This equals Thursday's bid from Gallaher, the tobacco group which has diversified in recent years into pumps and valves and optical goods with its Dolland and Aitchison retail chain.

Dennison, which secured the agreement of the Ofrex board with its original bid a week ago, is making its new overture conditional on again getting the board's support. The time limit has been set for Thursday.

On the London Stock Exchange yesterday the Ofrex share price closed 2p higher at the bid price of 160p, after being up to 162p.

Gallaher, which has said it wants Ofrex to spearhead a new area of expansion, was still discussing Dennison's latest move yesterday.

Mr Joseph Watson, Gallaher finance director, said he thought 160p was a fair price and one which the group had hoped would "terminate the situation."

At this stage the cards would appear to be in Dennison's favour. After its original bid, Dennison purchased 24.3 per cent of Ofrex through the market and also secured irrevocable undertakings to accept its 130p offer from holders of a further 15.6 per cent of the shares, including Mr George Drexler, Ofrex founder and chairman.

It is likely to take Ofrex a little longer than next Thursday's deadline before it makes any statement. Meanwhile, the company is understood to be seeking guidance from the U.S. anti-trust and from the UK Office of Fair Trading on the implications of each bid.

Mr Alfred Andrews, managing director of Ofrex, said the directors now planned to "sit tight and consider the offers."

Australia fears wages scramble

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA is to return to free collective bargaining after the surprise abandonment yesterday of the country's six-year-old centralised wage fixing policy. The move comes in the wake of a series of serious industrial disputes over recent months.

Employers and unions last night predicted "an avalanche of wage claims" and "a wages scramble," especially by powerful unions in essential services.

Mr Doug Anthony, who is acting Prime Minister while Mr Malcolm Fraser is in Britain, called on all parties "to show restraint" and heed the Government's "fight inflation first" policy.

Sir John Moore, President of the Australian Arbitration Commission, said yesterday that, after hearing submissions from the Government, unions and employer groups, the commission had ended the centralised wage fixing policy. The policy allowed pay rises according to movements in the cost of living.

Unions and employers will now negotiate pay increases among themselves. The commission's role will revert to that of arbiter in disputes between workers and management.

Sir John said events since the pay policy was revised earlier this year had shown that the participants' commitment was not strong enough to sustain the system. He cited the high level of industrial disputes over recent months including those in essential services, such as telecommunications and transport.

Although all parties had complained about the policy's deficiencies, they advocated the maintenance of some form of centralised system. Sir John said this objective was "illusory."

The commission agreed to preside over so-called "anomalies conferences," which are now under way for disputes involving telecommunications clerks and transport workers. Employees at such conferences argue for pay rises on the grounds that an anomaly exists between their pay and that of similar groups.

Sterling

Continued from Page One

day, reflected in a decline to 92.0 from 92.2 in the trade-weighted index of its value against a basket of other currencies—came in late trading after it had risen above $1.86 early on. The dollar gained ground generally, helped again by firm U.S. interest rates, to close at DM 2.4720 (DM 2.4560).

The London gilt-edged market shrugged off interest rate gloom and long-dated stocks rose around £½ in thin trading. To take advantage of the market's relative firmness, the Bank announced that it would make a further £500m of existing government stocks available from Monday to continue the official funding programme.

The stocks—£250m of each of 12¼ per cent Exchequer 1994 and 12½ per cent Treasury 2003-2005 — have been issued to the Bank by the Treasury, to be fed to the secondary market at the Bank's discretion.

Weather

UK TODAY

OUTBREAKS of thundery rain in the south, clearing; sunny periods elsewhere.

London, S. England, Midlands, S. Wales, Channel Islands
Cloudy with thundery rain. Max. 21C (70F).

Wales, N.W. England, S.W. and Central Scotland
Some sunshine. Max. 21C (70F).

N. Scotland
Light showers. Max. 17C (63F).

N.E. England, E. Scotland
Mostly dry, sunny intervals. Max. 20C (68F).

N. Ireland
Sunny intervals. Max. 19C (66F).

Outlook: Mostly dry, sunny patches, except in N.W.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	L. Ang.†	C	19	66
Algiers	S	33	91	Luxmbg.	C	23	73
Amsdm	C	21	70	Luxor	S	36	97
Athens	F	28	82	Madrid	S	32	90
Bahrain		—	—	Majorca	S	36	97
Barclna.	F	22	72	Malaga	S	30	86
Beirut	S	29	84	Malta	S	29	84
Belfast	C	15	59	M'chstr	F	18	64
Belgrd.	S	29	84	Melbne	S	15	59
Berlin	F	18	64	Mx. C.†		—	—
Biarritz	C	22	72	Miami†	S	27	81
Bmghm.	C	17	63	Milan	S	26	79
Blackpl.	*C*	*15*	*59*	*Montrl.†*	*S*	*18*	*64*
Bordx	S	30	86	Moscow	F	30	86
Boulgn.	C	18	64	Munich	C	25	77
Bristol	C	15	59	Nairobi	C	20	68
Brussels	C	20	68	Naples	S	27	81
Budpst.	F	25	77	Nassau		—	—
Cairo	F	30	86	Nwcstl.	F	15	59
Cardiff	C	16	61	N York†	S	22	72
Cas'ca	C	24	75	Nice	F	24	75
Cape T.		—	—	Nicosia	S	30	86
Chicg.†	S	17	63	Oporto	C	17	63
Cologne	R	20	68	Oslo	S	23	73
Cpnhgn.	C	17	63	Paris	C	31	88
Corfu	S	31	88	Perth	R	15	59
Denver†	F	18	64	Prague	S	22	72
Dublin	C	15	59	Rykjvk.	S	11	52
Dbrvnk.	S	26	79	Rhodes	S	27	81
Ednbgh.	C	17	63	Rio J'o†		—	—
Faro	S	26	79	Rome	S	29	84
Florence	S	28	82	Salzbrg	S	26	79
Frankft	C	21	70	S'cisco†	F	11	52
Funchal	F	23	73	S. Mritz.		—	—
Geneva	C	27	81	Singapr.		—	—
Gibrltr	S	27	81	S'bago†		—	—
Glsgw	F	17	63	Stckhm.	S	24	75
G'rnsey	C	19	66	Strasbg.	C	26	79
Helsinki	R	16	61	Sydney	F	14	57
H Kong	F	31	88	Tangier	F	23	73
Innsbrk	C	23	73	Tel Aviv	F	28	82
Invrnss.	C	14	57	Tenerife	S	24	75
I.o Man	F	15	59	Tokyo	S	31	88
Istanbul	F	25	77	T'r'nto†	S	15	59
Jersey	C	20	68	Tunis	S	32	90
Jo'burg	F	16	61	Valencia	C	29	84
L. Plms.	S	24	75	Venice	C	24	75
Lisbon	C	22	72	Vienna	S	23	73
Locarno	F	25	77	Warsaw	C	17	63
London	C	18	64	Zurich	F	26	79

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. †Noon GMT temparatures

THE LEX COLUMN

An unscheduled tax season

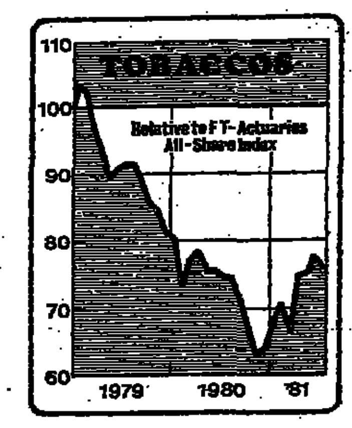
The end of the civil service strike gave the long end of the gilt-edged market a passing boost yesterday, but this did not seem to have much to do with the Government's success in restraining public sector wages. Instead, long bonds were responding positively to the prospect of a little less monetary laxity: tighter conditions in the short money markets, perhaps leading to stronger sterling.

The £6bn or so of additional tax revenues (net of refunds) which will flow into the Exchequer over the next few weeks on top of the normal Government receipts would pose severe problems of day-to-day monetary control at any time. Superimposed on the Bank of England's attempts to keep clearing bank base rates down, the problems become stupendous.

The Bank will probably resort to direct lending to the money markets to supplement its bill operations, a tactic employed in the late spring after heavy sales of gilt-edged left the money markets very tight. That would involve a certain amount of irony in the month in which Minimum Lending Rate, dying for nearly a year, is finally buried. But sales and repurchases of gilt-edged, last year's standby, are no longer on the menu, while expedients such as holding up cheque payments on very difficult days may be useful but are not up to the scale of the shortages.

Part of the unpaid tax has been sitting in bank deposits, some apparently in dollars—so that sterling should benefit from the switch back into the home currency when the tax is paid. Some will have been used to run down overdrafts. In any case it seems likely that the demand for overdraft finance will pick up quite sharply in the next month, and it is going to be very difficult for the clearers to provide the money at a profit. The end of the strike will put pressure on the already high (and very stable-looking) structure of money rates. After Barclays' results next Thursday the clearers enter a period in which higher base rates are likely to seem both less embarrassing *and more urgently necessary.*

Index rose 2.2 to 528.1



By its last minute £250m reduction in the amount of Treasury bills offered yesterday, the Bank showed that it is already preparing for tight markets next week. To announce the issue of £500m of new gilt-edged stock, soon afterwards pointed in the other direction, and knocked the gilt-edged market rally firmly on the head. August is not going to be a tidy month.

Midland

True to form, Midland's profits for the first half are poorer than those of both Lloyds and NatWest, some 16 per cent below the level of a year earlier at £104.5m. With the costly impact of the Irish punt's depreciation last year not being repeated, the underlying decline is probably even greater. Forward Trust has been disappointing and the advance on the international side is fairly spurious, since it is calculated before interest on the extra dollar loan notes issued in the period. The shares, however, rose 8p yesterday to 333p.

Since the end of 1977 Midland has fallen by two-fifths against the banking sector. This is hardly surprising given the stagnant performance over this period, in which the other clearers have pushed up their *joint profits* by three-quarters.

As a result Midland shares offer a prospective yield of 10 per cent, compared with below 7 per cent for Barclays and Lloyds.

Midland appears to make half as much profit on domestic advances as the other clearers—largely because of higher costs. But the bank is now undergoing a reorganisation to reduce expenses, quite apart from the *announced staff cuts*. There has been a string of management changes in recent months, while the decentralised approach to computers it is pioneering may well prove more attractive than the monolithic processing departments of the other clearers, which were earlier off the mark.

Meanwhile, the heavy UK *industrial emphasis* should be an advantage when the upturn finally arrives, and the acquisition of Crocker, possibly in September, will create a genuine international arm. Less happily the acquisition will stretch capital ratios and may well prompt a rights issue, but this eventually is probably already in the price. In three years time *Midland's comparative* performance could be looking very different; perhaps the shares' relative nadir is not far off.

Ofrex

There must be more to files and staples than meets the eye. Dennison Manufacturing's decision to match Gallaher's 160p per share bid for Ofrex seems, on the face of it, exceptionally generous and certainly illustrates how the market's perception of a company's value can differ from that of a prospective purchaser. Left to its own devices, the Ofrex share price would probably now be trading not much above 80p.

Dennison is obviously counting *on the support* of the Ofrex board in its new offer and must be relieved to have almost a quarter of the equity under its belt at a price of around 130p per share. Gallaher could conceivably raise its bid but will first want to sound out Ofrex directors who may be as surprised as anyone else at the value attached to their company.

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